



2016

BEYOND INTERNATIONAL
ANNUAL REPORT





Love It Or List It UK

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2016

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On behalf of the Directors of Beyond International Limited (ASX: BYI) I am pleased to highlight some of the main issues that dominated the Board's discussions during the year ending 30th June, 2016 and continue to be relevant. Mr. Mikael Borglund deals with the 2016 operating and financial results of each of the four divisions in the Managing Director's Report, which follows.

Over the last 12-24 months Beyond has taken a number of initiatives to expand development and production and diversify content revenue streams into new areas. The initial results are expected to become more obvious in 2017 and 2018.

These initiatives included establishing a co-production and distribution relationship with the Grace Group of companies during the production of the initial series of 'Beat Bugs' animation content for Netflix and the subsequent establishment of the music rights associate company, Melodia, which released 27 music tracks from 'Beat Bugs' to streaming media in July 2016 and a further 25 tracks will be released in November 2016 for electronic and physical sales.

As part of this relationship Beyond and Grace are also producing a new animated series provisionally entitled "Motown" for delivery to Netflix in early 2018 and a number of new animated and scripted productions are currently at various stages of development with Grace. Merchandising is expected to be an important new diversification as part of the evolving business model as these projects go into production and distribution worldwide.

Beyond Fiction was established to develop drama content and received its first commission in September 2016. This new production for the ABC in Australia represents a much anticipated and important return by Beyond to quality drama.

Approximately two years ago, Beyond established a Los Angeles based 50:50 joint venture (7Beyond) with Seven West Media Limited (ASX:SWM) to develop entertainment content for the US market. In the last few months two 7Beyond series have moved from development into production in the US and 7Beyond is expected to expand further in 2016-17.

During the same period, Beyond has established production relationships with new entertainment platforms and recently announced the commissioning of 'White Rabbit Project', which is Beyond Production's first original factual series for Netflix.

These content diversification initiatives open major growth opportunities for Beyond and have already changed our business model, cash management and financial profile. At the same time our traditional clients, the free-to-air and cable channels, have experienced major changes in their competitive positions, relative market share and business models as new entrants introduce completely new and disruptive business models and terms of trade and fragment established viewer habits.

The Directors of Beyond understand that all four operating divisions face challenging and rapidly changing markets. In addition to the content production initiatives, Beyond Distribution's offices in Dublin, London and Sydney are dealing with changing markets and delivery platforms in many cases presenting untried business models and technical challenges. This makes sales and content acquisition based on sales expectations (and collections) very difficult.

Meanwhile Beyond Home Entertainment's DVD business in Australia faces the long expected worsening in terms of trade and market size that have been delayed in Australia but are well advanced

in major markets. BeyondD brings considerable skill and knowledge resources to the group and operates in a very fluid sector.

Overall the Directors believe Beyond has made a good start in its transition and capacity to grow in the emerging content market. The Directors are confident that Beyond's long and successful track record in producing quality programs which attract large global audiences will be an important advantage in meeting the challenges presented by changed market conditions. However, the next few years are critical and the pace and range of change is increasing. We expect to invest more to expand and diversify our revenue streams during this period and will have to retain more surplus cash from operations in the business and also use debt to fund it.

The Directors have announced a 2016 Final Dividend of 5 cents per share payable on 18th November 2016 to all shareholders registered on 21st October 2016. This follows an Interim Dividend of 5 cents per share paid on 21st April 2016. Directors currently expect to reduce the 2016-17 financial year and future dividend payouts to a lower percentage of earnings per share depending on movements in net after tax profits and surplus cash generation.

The Directors thank all the individuals who continue to contribute to the progress and success of Beyond.

For and on behalf of the Board of Directors,

Ian Ingram
Chairman



Highway Thru Hell



FINANCIAL PERFORMANCE FOR THE 12 MONTH PERIOD TO 30TH JUNE 2016

- Operating revenue increased by 8.6% to \$101,229,000;
- Net profit after tax and before outside equity interests decreased 9.7% to \$5,317,000. The result is better than the guidance provided in July by \$809,000 mainly as a result of slightly better trading and, arising out of the audit process, a different tax outcome than expected;
- Earnings per share has decreased by 9.7% to 8.67 cents;
- EBIT for the period has decreased by 6.9% to \$5,553,000;
- Net cash flows from operating activities decreased by 37% to \$5,127,000 from \$8,135,000;
- Net cash reduced by \$4,025,000 to \$6,379,000.

	FY 2016 \$ 000'S	FY 2015 \$ 000'S	VARIANCE \$ \$ 000'S	VARIANCE %
Operating Revenue	101,229	93,218	8,011	8.6%
Expense	(94,988)	(85,348)	(9,640)	11.3%
Operating EBIT	6,241	7,870	(1,629)	(20.7%)
Non-operating Items				
Additional Amortisation	(688)	(1,906)	(1,218)	(63.9%)
EBIT	5,553	5,964	(411)	(6.9%)
Net Interest Income	51	49	2	4.1%
Profit Before Tax	5,604	6,013	(409)	(6.8%)
Tax Expense	(287)	(128)	(159)	(124.2%)
Profit After Tax	5,317	5,885	(568)	(9.7%)
OEI	-	-	-	-
Net Profit	5,317	5,885	(568)	(9.7%)
EPS (Cents per Share)	8.67	9.59	(0.93)	(9.7%)
Dividends per Share (cents)	10.00	10.00	-	-
NTA	63.79	64.28	(0.49)	(0.8%)

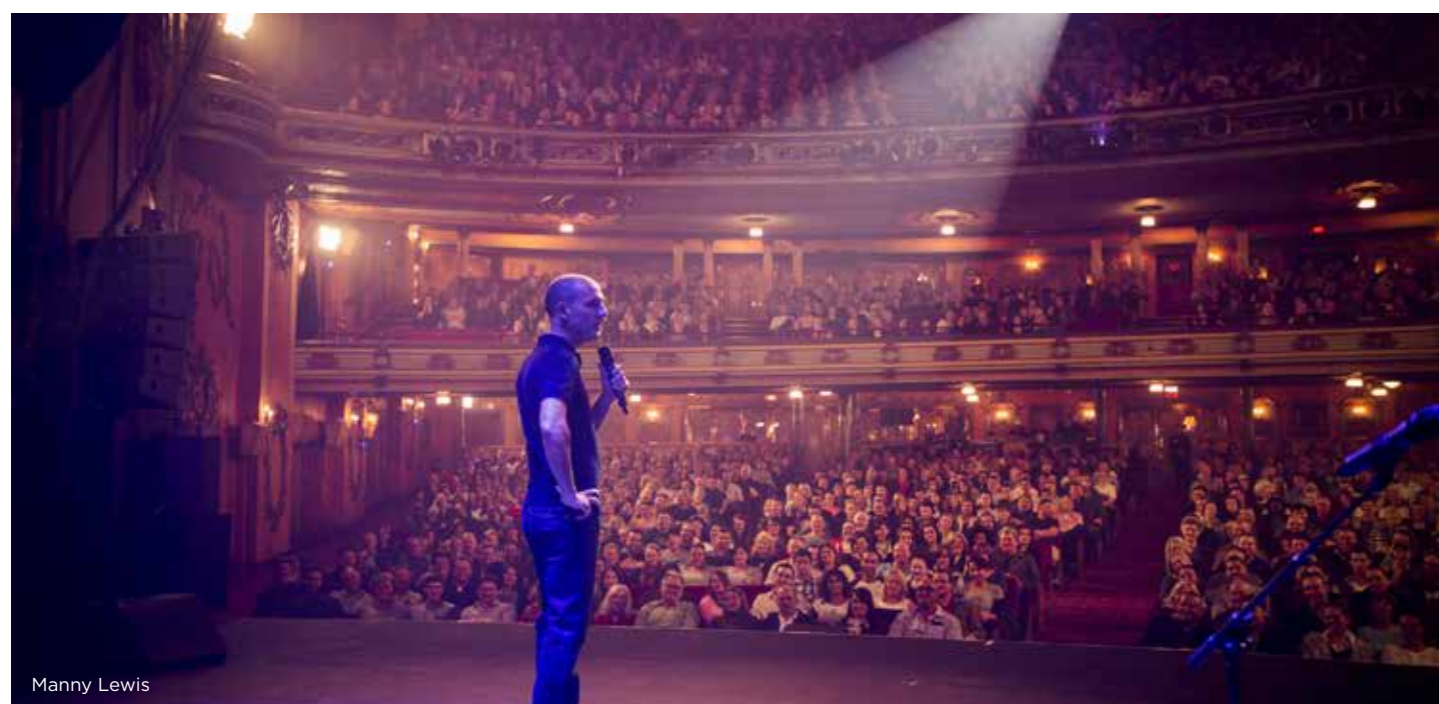
REVIEW OF OPERATIONS BY SEGMENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2016

	FY 2016 \$ 000'S	FY 2015 \$ 000'S	VARIANCE \$ \$ 000'S	VARIANCE %
REVENUE				
Productions & Copyright	38,371	35,315	3,056	8.7%
Home Entertainment	24,485	22,463	2,022	9.0%
Distribution	25,843	22,612	3,231	14.3%
Digital Marketing	12,470	12,828	(358)	(2.8%)
Other	60	-	60	-
Total Revenue	101,229	93,218	8,011	8.6%

OPERATING EBIT				
Productions & Copyright	9,964	9,360	604	6.5%
Home Entertainment	1,526	1,827	(301)	(16.5%)
Distribution	2,020	2,420	(400)	(16.5%)
Digital Marketing	(292)	132	(424)	NMF
Corporate	(6,079)	(5,818)	(261)	(4.5%)
7Beyond Joint Venture	(404)	(560)	156	27.9%
Foreign Exchange Gain / (Loss)	(494)	509	(1,003)	NMF
Operating EBIT	6,241	7,870	(1,629)	(20.7%)

Non Operating Items				
Distribution	(350)	-	(350)	-
Corporate	(247)	-	(247)	-
Productions & Copyright	(91)	(1906)	1,815	95.2%
EBIT	5,553	5,964	(411)	(6.9%)

NMF - Not a meaningful figure



Manny Lewis



Beat Bugs



1. TELEVISION PRODUCTIONS AND COPYRIGHT SEGMENT

Segment revenue increased by \$3,056,000 or 8.7% to \$38,371,000 compared to the prior year. The number of programmes in production at any point in time is subject to the commissioning process, and the timing of commissions is outside the Company's control. In the financial year ended 30 June 2016, the Company experienced an increase in the number of projects in production. During the 2016 financial year, over 174 hours of television commenced production, including over 56 hours commissioned by US broadcasters.

The segment EBIT of \$9,964,000 was 6.5% higher than the \$9,360,000 reported in the 2015 financial year. The improvement in EBIT was due to an increase in programmes in production.

Copyright income (included in total segment revenue above) increased marginally by \$200,000 to \$6,450,000 compared to FY2015.

Non-operating adjustments of \$91,000 relating to the segment are impairment adjustments.

US broadcast commissions produced during the period include returning series *Deadly Women* series 10, and the final season of *Mythbusters*. A new version of *Mythbusters* with new hosts is being developed for the 2017 financial year. New titles include *The White Rabbit Project*, *Your Number's Up*, and *My Lottery Dream Home*, the first series commissioned through 7Beyond, with a second season commissioned late in the financial year. Beyond are also managing the production of the US version of *My Kitchen Rules* for the Seven Network. Other programs commenced in the 2016 financial year are animation projects *Beat Bugs* and *Motown*, with Beyond only recognising production fees.

Australian program commissions during the period included *Deadline Design*, *Santos Tour Down Under*, *Shaynna's World of Design*, *Fanshaw & Crudnut*, and season 9 and season 10 of *Selling Houses Australia*.

The 12 months to June has seen the emerging video on demand platforms in a number of important territories throughout the world begin to disrupt the television landscape.

Companies such as Netflix, Hulu, Amazon and Youtube are bringing

with them both challenges and opportunities for the production business. Commissioning opportunities are opening up with the new media platforms – including a demand for programming aimed at children and teens. The demand for high end animation is increasing as a result of the video on demand platforms focusing on the children's market as a subscription driver. Beyond is well placed to capitalize on this market segment, with three animation series currently in production, *Fanshaw & Crudnut*, *Beat Bugs* and *Motown*.

The strategic focus for the coming 12 months includes:

- targeting buyers who value our ability to co-produce;
- strengthening relationships with "new media" outlets;
- capitalizing on strong relationships with existing clients and within our proven genre strengths; and
- early adoption of new technology to gain market leadership and reputation. This includes the production of Ultra High Definition (4k) content as well as Virtual Reality content to augment linear content production.

2. HOME ENTERTAINMENT SEGMENT (BHE)

Revenue increased by 9% to \$24,485,000 (2015: \$22,463,000) compared to the corresponding 12-month period.

The segment EBIT decreased by 16.5% to \$1,526,000 compared to \$1,827,000 in the 2015 year.

New content released in the period that contributed to the increase in revenue includes: –

- Sales and distribution rights to the Australian Football League (AFL).
- The Network 7 television series *800 Words* Season One.
- *Peter Allen: Not The Boy Next Door* a two-part Australian mini-series.

2nd half trading conditions adversely impacted the EBIT performance of BHE. Factors in the retail environment that have impacted BHE include: –

- Aggressive product discounting (retail driven percentage off sales) by BHE's retail customers fully funded by BHE;

- Discounting of slow-moving inventory and overstocks in the retail channel fully funded by BHE;
- Higher than expected demands for BHE to pay for retail shelf space and promotional participation fees;
- The unexpected reduction of shelf space for the home entertainment category by a major department store;
- Low order volumes from BHE's customers in May and June 2016 due to the uncertainty of the Federal election; and
- The total physical DVD market contracted 4% for the twelve-months ending 30 June 2016.

To complement our existing portfolio of content, BHE in 2017 will launch the following event level programming: –

- *800 Words* Season Two currently broadcast on Network 7;
- *Brock* – a two-part Australian mini-series based on the life of motor racing driver Peter Brock set to screen on Network Ten in 2016;
- *The Secret Daughter* – an Australian drama television series set to screen on the Seven Network in 2016 starring Jessica Mauboy; and
- The 2016 AFL Grand Final.

3. DISTRIBUTION TV AND FILM SEGMENT

Revenue increased by \$3,231,000 or 14.3% to \$25,843,000 compared to the corresponding 2015 period. Period EBIT before impairment charges declined 16.5% to \$2,020,000 compared to \$2,420,000 in the corresponding 2015 period.

Lower EBIT was a result of higher cost of sales, with the average commission earned on third party programs declining from 30% in FY2015 to 28% in FY2016. In addition, overheads increased due to a relocation of the London office at the start of the financial year.

The non-operating adjustment of \$350,000 relates to impairment of various titles held for distribution that are unlikely to achieve sufficient sales to support their carrying value.

Third party programs are primarily sourced from independent producers in the US, UK and Canada. Product

focus continues to be factual series, documentaries, family and children's programs as there is a steady demand for these genres from broadcasters throughout the world. With the proliferation of media platforms – both over the air, cable and on the web – channels are becoming increasingly focused on specific audience demographics when acquiring content.

During the year significant sales for third party producers were achieved for existing franchises of *Highway Thru Hell* and *Love It or List It* and new shows *Chasing Monsters* and *Game of Homes*. *Mythbusters* and *Deadly Women* from Beyond Productions also achieved strong sales during the financial year.

The share of revenue by third party produced programmes continues to rise with a large volume of new episodes of existing series; third party revenue is now at 64% – a 6% point rise on 2015.

Traditional cable broadcasters are still strong worldwide and this combined with the growth of Video on Demand (OTT) platforms will have a positive impact on revenues in this division in the future.

There are now fewer medium sized independent producers/distributors active in the international market than at any time in the modern era – and this is an advantage to the medium sized entities in attracting new product and customers as these companies offer an alternative to the dominance of the handful of large entities that dominate the international content business.

4. DIGITAL MARKETING SEGMENT (BEYONDD)

Full year revenues for BeyondD were \$12,470,000, 3% down on last year's total of \$12,828,000.

The operating result for the 12 months was a loss of \$292,000 against an operating profit of \$132,000 for the corresponding period last year.

FIRST had a consistent flow of digital production revenues from key clients in Australia and a very consistent consulting monthly performance by New Zealand. Both the Australian and New Zealand search operations refocused their search engine optimisation offerings around content outreach as well as continuing

to improve the conversion rate optimization offering. This enabled the business to secure new clients as well as retain existing clients who otherwise may have been nearing the end of their relationship with the business. The result was that the FIRST business unit again contributed \$1.8 million, a result that mirrors the FY2015 performance in a very competitive space.

The lead generation and performance media section of BeyondD (3Di) had a very difficult year. The market in these categories is very competitive and while the business is still well known for its quality, 3Di has been unable to deliver the quantity of data to make the business profitable. The result was a negative contribution of \$408k for the business unit.

Due to the eroding of the marketplace a decision was made to shift focus for 3Di from its existing membership data sales model. These changes began in Q4, with the initial groundwork being laid for financial year 16/17. This groundwork came with some impacts to FIRST revenue via use by 3Di of FIRST resources and while there was success in getting some of the necessary changes done quickly, revenue benefits were not reflected in the current financial year.

Vigilance on the cost structure of FIRST and its expected continued success, will enable a strong focus on this new programmatic offering of 3Di. This focus is required to return the division to profitability in 2016/17.

5. 7BEYOND JOINT VENTURE

The 7Beyond joint venture started operations in September 2013 and FY2015 was the first full year of operations. The Group's share of operating costs net of tax to June 2016 was \$404,000, an improvement on the share in FY2015 of \$560,000. The venture had a number of projects in development during the year, with one, *My Dream Lottery Home*, being commissioned by HGTV in the United States. This series was renewed for a second series towards the end of the financial year

The joint venture has a deep slate of projects in development and is actively working with US broadcasters to develop and produce new programs for the US market.



800 Words

FOREIGN EXCHANGE - IMPACT ON RESULTS

The Group has significant exposure to foreign exchange fluctuations in the television production and distribution operating segments with over 40% of Group revenues derived from overseas.

In the normal course, the company generally hedges production costs denominated in US\$. Foreign currency

contracts entered into by the distribution segment are generally not hedged.

There continued to be volatility in the currency markets during the reporting period, with the Australian dollar ranging from a high of \$0.765 to a low of \$0.701 against the US dollar.

The total foreign exchange loss for FY2016 is \$494,000 (2015: gain \$509,240). This loss is allocated to the operating segments as follows:

ITEM	SEGMENT	JUNE 2016	JUNE 2015	MOVEMENT \$	MOVEMENT %
Realised Gain/(Loss).	Distribution/TV	115,634	354,619	(238,985)	67%
Unrealised Gain/(Loss)	Distribution/TV	(283,436)	86,750	(370,186)	NMF
Mark to market revaluation of Currency Hedges (Loss)	Other*	87,348	(86,798)	174,146	201%
Unrealised Gain	Other	(40,447)	112,797	(153,244)	136%
Other		(373,042)	41,873	(414,915)	NMF
TOTAL FX (GAIN) / LOSS		(493,943)	509,241	(1,003,184)	(197%)

* The Australian dollar expense component of US dollar denominated production contracts are hedged when the contracts are entered into.

DIVIDEND

The Directors have determined to maintain the 2016 (financial year) Final Dividend at 5 cents (10% franked) per share. Shareholders registered on the books on 21 October 2016 will be entitled to this dividend, which will be paid on 18 November 2016.

A 5 cent per share (unfranked) 2016 Interim Dividend was paid on 21 April 2016 making the total dividend for the 2016 financial year 10 cents per share.

Mikael Borglund
CEO & Managing Director
30 August 2016



Dance Moms

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES

ABN 65 003 174 409

Corporate Governance Statement, 30 June 2016

This Corporate Governance Statement of Beyond International Limited (the 'company') has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations'). The company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in either this statement, our website or Annual Report, is contained on our website at <http://www.beyond.com.au/corporate/corporate-governance>.

This statement has been approved by the company's Board of Directors ('Board') and is current as at 30 August 2016.

The ASX Principles and Recommendations and the company's response as to how and whether it follows those recommendations are set out below.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

RECOMMENDATION 1.1 - A LISTED ENTITY SHOULD DISCLOSE: (A) THE RESPECTIVE ROLES AND RESPONSIBILITIES OF ITS BOARD AND MANAGEMENT; AND (B) THOSE MATTERS EXPRESSLY RESERVED TO THE BOARD AND THOSE DELEGATED TO MANAGEMENT.

The Board is ultimately accountable for the performance of the company and provides leadership and sets the strategic objectives of the company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures.

Management is responsible for implementing Board strategy, day-to-day operational aspects, and ensuring that all risks and performance issues are brought to the Board's attention. They must operate within the risk and authorisation parameters set by the Board.

RECOMMENDATION 1.2 - A LISTED ENTITY SHOULD: (A) UNDERTAKE APPROPRIATE CHECKS BEFORE APPOINTING A PERSON, OR PUTTING FORWARD TO SECURITY HOLDERS A CANDIDATE FOR ELECTION, AS A DIRECTOR; AND (B) PROVIDE SECURITY HOLDERS WITH ALL MATERIAL INFORMATION IN ITS POSSESSION RELEVANT TO A DECISION ON WHETHER OR NOT TO ELECT OR RE-ELECT A DIRECTOR.

The company undertakes comprehensive reference checks prior to appointing a director, or putting that person forward as a candidate to ensure that person is competent, experienced, and would not be impaired in any way from undertaking the duties of director. The company provides relevant information to shareholders for their consideration about the attributes of candidates together with whether the Board supports the appointment or re-election.

RECOMMENDATION 1.3 - A LISTED ENTITY SHOULD HAVE A WRITTEN AGREEMENT WITH EACH DIRECTOR AND SENIOR EXECUTIVE SETTING OUT THE TERMS OF THEIR APPOINTMENT.

The terms of the appointment of a non-executive director, executive directors and senior executives are agreed upon and set out in writing at the time of appointment.

RECOMMENDATION 1.4 - THE COMPANY SECRETARY OF A LISTED ENTITY SHOULD BE ACCOUNTABLE DIRECTLY TO THE BOARD, THROUGH THE CHAIR, ON ALL MATTERS TO DO WITH THE PROPER FUNCTIONING OF THE BOARD.

The Company Secretary reports directly to the Board through the Chairman and is accessible to all directors.

RECOMMENDATION 1.5 - A LISTED ENTITY SHOULD (A) HAVE A DIVERSITY POLICY WHICH INCLUDES REQUIREMENTS FOR THE BOARD OR A RELEVANT COMMITTEE OF THE BOARD TO SET MEASURABLE OBJECTIVES FOR ACHIEVING GENDER DIVERSITY AND TO ASSESS ANNUALLY BOTH THE OBJECTIVES AND THE ENTITY'S PROGRESS IN ACHIEVING THEM; (B) DISCLOSE THAT POLICY OR A SUMMARY OF IT; AND (C) DISCLOSE AS AT THE END OF EACH REPORTING PERIOD THE MEASURABLE OBJECTIVES FOR ACHIEVING GENDER DIVERSITY SET BY THE BOARD OR A RELEVANT COMMITTEE OF THE BOARD IN ACCORDANCE WITH THE ENTITY'S DIVERSITY POLICY AND ITS PROGRESS TOWARDS ACHIEVING THEM, AND EITHER: (1) THE RESPECTIVE PROPORTIONS OF MEN AND WOMEN ON THE BOARD, IN SENIOR EXECUTIVE POSITIONS AND ACROSS THE WHOLE ORGANISATION (INCLUDING HOW THE ENTITY HAS DEFINED "SENIOR EXECUTIVE" FOR THESE PURPOSES); OR (2) IF THE ENTITY IS A "RELEVANT EMPLOYER" UNDER THE WORKPLACE GENDER EQUALITY ACT, THE ENTITY'S MOST RECENT "GENDER EQUALITY INDICATORS", AS DEFINED IN AND PUBLISHED UNDER THAT ACT.

The company does not have a formal diversity policy. The company however undertakes to assess an individual's credentials on their merit, with complete objectivity and



without bias so that the company may attract, appoint and retain the best people to work within the company where all persons have equal opportunity.

As at the date of this report, 51% of the organisation were women (49% men); and 56% of senior executive positions were occupied by women (44% men). For this purpose, the Board defines a senior executive as a person who makes, or participates in the making of, decisions that affect the whole or a substantial part of the business or has the capacity to affect significantly the company's financial standing. This therefore includes all senior management and senior executive designated positions as well as senior specialised professionals.

No entity within the consolidated entity is a 'relevant employer' for the purposes of the Workplace Gender Equality Act 2012 and therefore no Gender Equality Indicators to be disclosed.

RECOMMENDATION 1.6 - A LISTED ENTITY SHOULD (A) HAVE AND DISCLOSE A PROCESS FOR PERIODICALLY EVALUATING THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS; AND (B) DISCLOSE, IN RELATION TO EACH REPORTING PERIOD, WHETHER A PERFORMANCE EVALUATION WAS UNDERTAKEN IN THE REPORTING PERIOD IN ACCORDANCE WITH THAT PROCESS.

The company does not currently have a formal process for evaluating the performance of the Board, its committees or individual directors. The Board conducts an introspective annual discussion of its performance on a collective basis to identify general aspects of its performance that could be improved upon, and such analysis includes the roles played by each Board member. Such reviews therefore encapsulate collective discussion around the performance of individual Board members, their roles on specific projects during the financial year, and where relevant, how their role could be modified or suggestions for individual development or performance improvement for the future.

Until such time as the company expands to justify an expansion of Board members, the Board is of the current opinion that such performance evaluation is suitable for the company.

RECOMMENDATION 1.7 - A LISTED ENTITY SHOULD (A) HAVE AND DISCLOSE A PROCESS FOR PERIODICALLY EVALUATING THE PERFORMANCE OF ITS SENIOR EXECUTIVES; AND (B) DISCLOSE, IN RELATION TO EACH REPORTING PERIOD, WHETHER A PERFORMANCE EVALUATION WAS UNDERTAKEN IN THE REPORTING PERIOD IN ACCORDANCE WITH THAT PROCESS.

The Board conducts an annual performance assessment of the CEO against agreed performance measures determined at the start of the year. The CEO undertakes the same assessments of senior executives. In assessing the performance of the individual, the review includes consideration of the senior executive's function, individual targets, group targets, and the overall performance of the company. Such reviews are conducted during the first quarter of a new financial year.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

RECOMMENDATION 2.1 - THE BOARD OF A LISTED ENTITY SHOULD:

(A) HAVE A NOMINATION COMMITTEE WHICH:

(1) HAS AT LEAST THREE MEMBERS, A MAJORITY OF WHOM ARE INDEPENDENT DIRECTORS; AND

(2) IS CHAIRED BY AN INDEPENDENT DIRECTOR, AND DISCLOSE:

(3) THE CHARTER OF THE COMMITTEE;

(4) THE MEMBERS OF THE COMMITTEE; AND

(5) AS AT THE END OF EACH REPORTING PERIOD, THE NUMBER OF TIMES THE COMMITTEE MET THROUGHOUT THE PERIOD AND THE INDIVIDUAL ATTENDANCES OF THE MEMBERS AT THOSE MEETINGS; OR

(B) IF IT DOES NOT HAVE A NOMINATION COMMITTEE, DISCLOSE THAT FACT AND THE PROCESSES IT EMPLOYS TO ADDRESS BOARD SUCCESSION ISSUES AND TO ENSURE THAT THE BOARD HAS THE APPROPRIATE BALANCE OF SKILLS, KNOWLEDGE, EXPERIENCE, INDEPENDENCE AND DIVERSITY TO ENABLE IT TO DISCHARGE ITS DUTIES AND RESPONSIBILITIES EFFECTIVELY.

The Board does not maintain a Nomination Committee as it is considered that the current size of the Board does not warrant the formal establishment of a separate committee. The Board therefore performs the function of such a committee which includes the identification of skills and competencies required for the Board and related committees, as well as nomination, selection and performance evaluation of non-executive directors. The Board does not actively manage succession planning and instead relies upon the Board's extensive networking capabilities and/or executive recruitment firms to identify appropriate candidates when a Board vacancy occurs or when a vacancy is otherwise envisaged. Attributes of candidates put forward will be considered for 'best-fit' to the needs of the Board which are assessed at the time of the vacancy.

RECOMMENDATION 2.2 - A LISTED ENTITY SHOULD HAVE AND DISCLOSE A BOARD SKILLS MATRIX SETTING OUT THE MIX OF SKILLS AND DIVERSITY THAT THE BOARD CURRENTLY HAS OR IS LOOKING TO ACHIEVE IN ITS MEMBERSHIP.

The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as leadership, governance, strategy, finance, risk, IT, HR, policy development, international business and customer relationship. External consultants may be brought in with specialist knowledge to address areas where this is an attribute deficiency in the Board.

RECOMMENDATION 2.3 - A LISTED ENTITY SHOULD DISCLOSE: (A) THE NAMES OF THE DIRECTORS CONSIDERED BY THE BOARD TO BE INDEPENDENT DIRECTORS; (B) IF A DIRECTOR HAS AN INTEREST, POSITION, ASSOCIATION OR RELATIONSHIP OF THE TYPE DESCRIBED IN BOX 2.3 BUT THE BOARD IS OF THE OPINION THAT IT DOES NOT COMPROMISE THE INDEPENDENCE OF THE DIRECTOR, THE NATURE OF THE INTEREST, POSITION, ASSOCIATION OR RELATIONSHIP IN QUESTION AND AN EXPLANATION OF WHY THE BOARD IS OF THAT OPINION; AND (C) THE LENGTH OF SERVICE OF EACH DIRECTOR.

Details of the Board of directors, their appointment dated, length of service as independence status is as follows:

DIRECTOR'S NAME	DATE APPOINTED	LENGTH OF SERVICE AT REPORTING DATE	INDEPENDENCE STATUS
Ian Robertson	27 September 2005	10 years	Independent Non-executive

The Board may determine that a director is independent notwithstanding the existence of an interest, position, association or relationship of the kind identified in the examples listed under Recommendation 2.3 of the ASX Principles and Recommendations.

RECOMMENDATION 2.4 - A MAJORITY OF THE BOARD OF A LISTED ENTITY SHOULD BE INDEPENDENT DIRECTORS.

There are currently 4 members on the company's Board. Having regard to the company's response to Recommendation 2.3 above, the majority of the Board are not independent. The Board considers that the company is reliant upon the business relationships and interests that it has with the non-independent directors in order to achieve its objectives at this time. Until such time as the company is of a size that warrants the appointment of additional non-executive and independent directors, the Board is of the view that the absence of a majority of independent directors is not an impediment to its operations, shareholders or other stakeholders.

RECOMMENDATION 2.5 - THE CHAIR OF THE BOARD OF A LISTED ENTITY SHOULD BE AN INDEPENDENT DIRECTOR AND, IN PARTICULAR, SHOULD NOT BE THE SAME PERSON AS THE CEO OF THE ENTITY.

The roles of the Chair of the Board and Chief Executive Officer are separate. Ian Ingram is Chair of the Board and is not considered to be an independent director of the company. Mikael Borglund is the CEO. The Board acknowledges the ASX Recommendation that the Chair of the Board be an independent director, however the Board has formed the view that Mr Ingram is the most appropriate person to lead the Board given his experience and skills.

RECOMMENDATION 2.6 - A LISTED ENTITY SHOULD HAVE A PROGRAM FOR INDUCTING NEW DIRECTORS AND PROVIDE APPROPRIATE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR DIRECTORS TO DEVELOP AND MAINTAIN THE SKILLS AND KNOWLEDGE NEEDED TO PERFORM THEIR ROLE AS DIRECTORS EFFECTIVELY.

New directors undertake an induction program coordinated by the Company Secretary that briefs and informs the director on all relevant aspects of the company's operations and background. A director development program is also available to ensure that directors can enhance their skills and remain abreast of important developments.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

RECOMMENDATION 3.1 - A LISTED ENTITY SHOULD: (A) HAVE A CODE OF CONDUCT FOR ITS DIRECTORS, SENIOR EXECUTIVES AND EMPLOYEES; AND (B) DISCLOSE THAT CODE OR A SUMMARY OF IT.

The company maintains a code of conduct for its directors, senior executives and employees. In summary, the code requires that each person act honestly, in good faith and in the best interests of the company; exercise a duty of care; use the powers of office in the best interests of the company and not for personal gain, declare any conflict of interest; safeguard company's assets and information and undertake any action that may jeopardise the reputation of company.

That code is available on the company's website.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING

RECOMMENDATION 4.1 - THE BOARD OF A LISTED ENTITY SHOULD: (A) HAVE AN AUDIT COMMITTEE WHICH: (1) HAS AT LEAST THREE MEMBERS, ALL OF WHOM ARE NON-EXECUTIVE DIRECTORS AND A MAJORITY OF WHOM ARE INDEPENDENT DIRECTORS; AND (2) IS CHAIRED BY AN INDEPENDENT DIRECTOR, WHO IS NOT THE CHAIR OF THE BOARD, AND DISCLOSE: (3) THE CHARTER OF THE COMMITTEE; (4) THE RELEVANT QUALIFICATIONS AND EXPERIENCE OF THE MEMBERS OF THE COMMITTEE; AND (5) IN RELATION TO EACH REPORTING PERIOD, THE NUMBER OF TIMES THE COMMITTEE MET THROUGHOUT THE PERIOD AND THE INDIVIDUAL ATTENDANCES OF THE MEMBERS AT THOSE MEETINGS; OR (B) IF IT DOES NOT HAVE AN AUDIT COMMITTEE, DISCLOSE THAT FACT AND THE PROCESSES IT EMPLOYS THAT INDEPENDENTLY VERIFY AND SAFEGUARD THE INTEGRITY OF ITS CORPORATE REPORTING, INCLUDING THE PROCESSES FOR THE APPOINTMENT AND REMOVAL OF THE EXTERNAL AUDITOR AND THE ROTATION OF THE AUDIT ENGAGEMENT PARTNER.



The Board maintains a combined Audit and Risk Committee, the members of which are:-

DIRECTOR'S NAME	EXECUTIVE STATUS	INDEPENDENCE STATUS
Anthony Lee - Chair	Non-Executive	Not independent
Ian Ingram	Non-Executive	Not independent

The majority of the Committee members and the Chair are not independent. The current size of the Board does not allow for this recommendation to be met.

Details of the qualifications and experience of the members of the Committee is detailed in the 'Information of directors' section of the Directors' report.

The Charter of the Committee is available at the company's website.

The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.

RECOMMENDATION 4.2 - THE BOARD OF A LISTED ENTITY SHOULD, BEFORE IT APPROVES THE ENTITY'S FINANCIAL STATEMENTS FOR A FINANCIAL PERIOD, RECEIVE FROM ITS CEO AND CFO A DECLARATION THAT, IN THEIR OPINION, THE FINANCIAL RECORDS OF THE ENTITY HAVE BEEN PROPERLY MAINTAINED AND THAT THE FINANCIAL STATEMENTS COMPLY WITH THE APPROPRIATE ACCOUNTING STANDARDS AND GIVE A TRUE AND FAIR VIEW OF THE FINANCIAL POSITION AND PERFORMANCE OF THE ENTITY AND THAT THE OPINION HAS BEEN FORMED ON THE BASIS OF A SOUND SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL WHICH IS OPERATING EFFECTIVELY.

For the financial year ended 30 June 2016 and the half-year ended 31 December 2015, the company's CEO and CFO provided the Board with the required declarations.

RECOMMENDATION 4.3 - A LISTED ENTITY THAT HAS AN AGM SHOULD ENSURE THAT ITS EXTERNAL AUDITOR ATTENDS ITS AGM AND IS AVAILABLE TO ANSWER QUESTIONS FROM SECURITY HOLDERS RELEVANT TO THE AUDIT.

The audit engagement partner attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

RECOMMENDATION 5.1 - A LISTED ENTITY SHOULD (A) HAVE A WRITTEN POLICY FOR COMPLYING WITH ITS CONTINUOUS DISCLOSURE OBLIGATIONS UNDER THE LISTING RULES; AND (B) DISCLOSE THAT POLICY OR A SUMMARY OF IT.

The company maintains a written policy that outlines the responsibilities relating to the directors, officers and employees in complying with the company's disclosure

obligations. Where any such person is of any doubt as to whether they possess information that could be classified as market sensitive, they are required to notify the Company Secretary immediately in the first instance. The Company Secretary is required to consult with the CEO in relation to matters brought to his or her attention for potential announcement. Generally, the CEO is ultimately responsible for decisions relating to the making of market announcements. The Board is required to authorise announcements of significance to the company. No member of the company shall disclose market sensitive information to any person unless they have received acknowledgement from the ASX that the information has been released to the market.

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

RECOMMENDATION 6.1 - A LISTED ENTITY SHOULD PROVIDE INFORMATION ABOUT ITSELF AND ITS GOVERNANCE TO INVESTORS VIA ITS WEBSITE.

The company maintains information in relation to governance documents, directors and senior executives, Board and committee charters, annual reports, ASX announcements and contact details on the company's website.

RECOMMENDATIONS 6.2 AND 6.3

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2).

A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

In order for the investors to gain a greater understanding of the company's business and activities, the company schedules regular interactions between the CEO, CFO and/or Managing Director where it engages with institutional and private investors, analysts and the financial media. These meetings are not held within a four week blackout period in advance of the release of interim or full-year results. The company encourages shareholders to attend its AGM and to send in questions prior to the AGM so that they may be responded to during the meeting. It also encourages ad hoc enquiry via email which are responded to. Written transcripts of the meeting are made available on the company's website.

RECOMMENDATION 6.4 - A LISTED ENTITY SHOULD GIVE SECURITY HOLDERS THE OPTION TO RECEIVE COMMUNICATIONS FROM, AND SEND COMMUNICATIONS TO, THE ENTITY AND ITS SECURITY REGISTRY ELECTRONICALLY.

The company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders not already receiving information electronically can elect to do so through the share registry, Computershare Australia Limited at <https://www-au.computershare.com/investor/?gcc=au>.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

RECOMMENDATIONS 7.1 & 7.2

The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The Board maintains a combined Audit and Risk Committee. The members of the Committee are detailed in Recommendation 4.2 above.

The charter of the Risk Committee can be found on the company's website.

The Audit and Risk Committee reviews the company's risk management framework annually to ensure that it is still suitable to the company's operations and objectives and that the company is operating within the risk parameters set by the Board. As a consequence of the last review undertaken for the year ended 30 June 2016, there were no significant recommendations made.

The Board acknowledges that it has not followed the ASX Recommendations in relation to the number of members and independence due to the size of the Board. The company maintains internal controls which assist in managing enterprise risk, and these are reviewed as part of the scope of the external audit, with the auditor providing the Board with commentary on their effectiveness and the need for any additional controls. The Managing Director and CEO are responsible for monitoring operational risk, ensuring all relevant insurances are in place, and ensuring that all regulatory and compliance obligations of the company are satisfied.

RECOMMENDATION 7.3 - A LISTED ENTITY SHOULD DISCLOSE: (A) IF IT HAS AN INTERNAL AUDIT FUNCTION, HOW THE FUNCTION IS STRUCTURED AND WHAT ROLE IT PERFORMS; OR (B) IF IT DOES NOT HAVE AN INTERNAL AUDIT FUNCTION, THAT FACT AND THE PROCESSES IT EMPLOYS FOR EVALUATING AND CONTINUALLY IMPROVING THE EFFECTIVENESS OF ITS RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES.

The company does not have a dedicated internal audit function. The responsibility for risk management and internal controls lies with both the Managing Director and CFO who continually monitor the company's internal and external risk environment. Necessary action is taken to protect the integrity of the company's books and records including by way of design and implementation of internal controls, and

to ensure operational efficiencies, mitigation of risks, and safeguard of company assets.

RECOMMENDATION 7.4 - A LISTED ENTITY SHOULD DISCLOSE WHETHER IT HAS ANY MATERIAL EXPOSURE TO ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS AND, IF IT DOES, HOW IT MANAGES OR INTENDS TO MANAGE THOSE RISKS.

Refer to the company's Annual Report for disclosures relating to the company's material business risks (including any material exposure to economic, environmental or social sustainability risks). Refer to commentary at Recommendations 7.1 and 7.2 for information on the company's risk management framework.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

RECOMMENDATION 8.1 - THE BOARD OF A LISTED ENTITY SHOULD: (A) HAVE A REMUNERATION COMMITTEE WHICH: (1) HAS AT LEAST THREE MEMBERS, A MAJORITY OF WHOM ARE INDEPENDENT DIRECTORS; AND (2) IS CHAIRED BY AN INDEPENDENT DIRECTOR, AND DISCLOSE: (3) THE CHARTER OF THE COMMITTEE; (4) THE MEMBERS OF THE COMMITTEE; AND (5) AS AT THE END OF EACH REPORTING PERIOD, THE NUMBER OF TIMES THE COMMITTEE MET THROUGHOUT THE PERIOD AND THE INDIVIDUAL ATTENDANCES OF THE MEMBERS AT THOSE MEETINGS; OR (B) IF IT DOES NOT HAVE A REMUNERATION COMMITTEE, DISCLOSE THAT FACT AND THE PROCESSES IT EMPLOYS FOR SETTING THE LEVEL AND COMPOSITION OF REMUNERATION FOR DIRECTORS AND SENIOR EXECUTIVES AND ENSURING THAT SUCH REMUNERATION IS APPROPRIATE AND NOT EXCESSIVE.

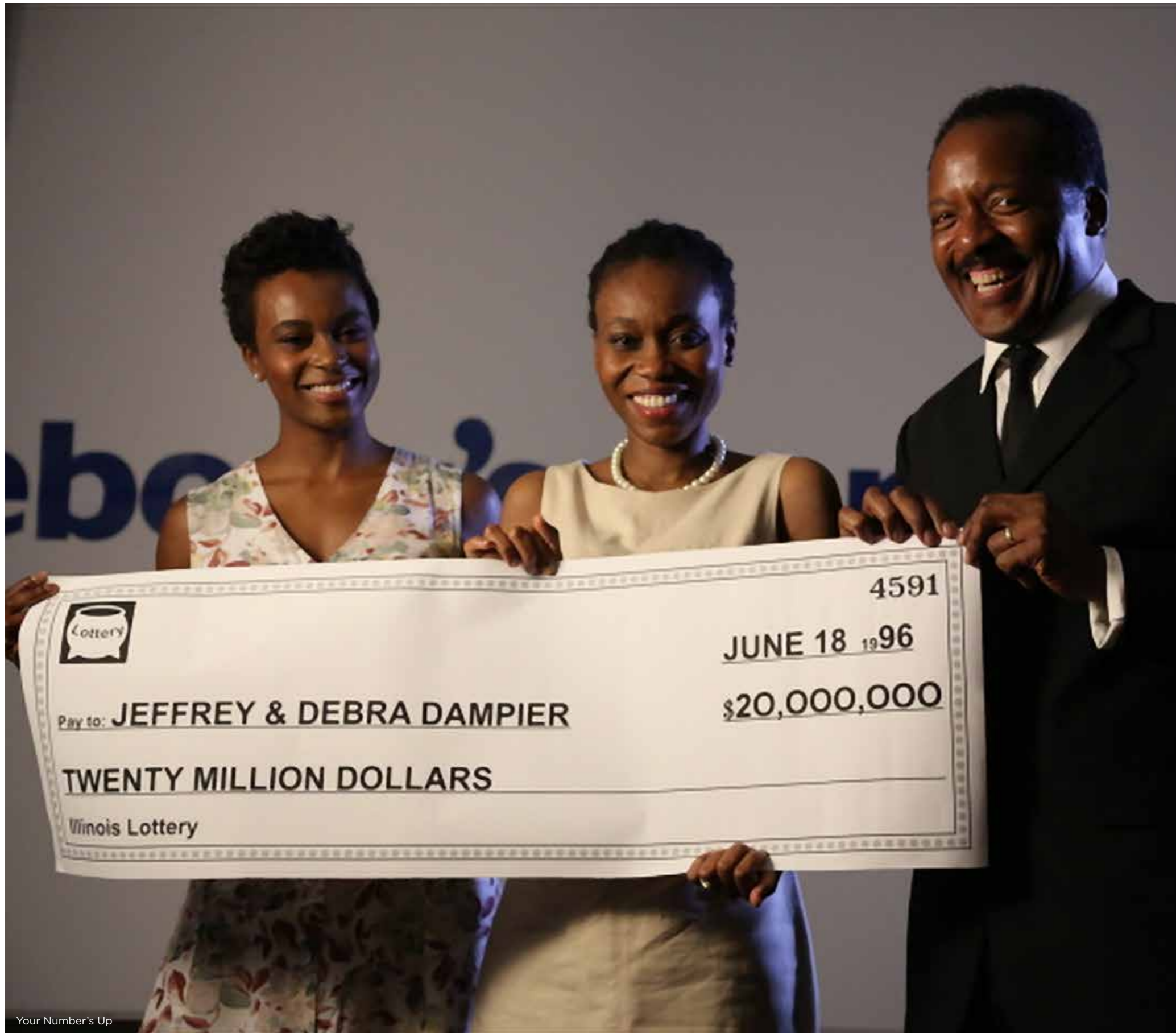
The Board maintains a combined Nomination and Remuneration Committee. The members of the Committee are detailed below.

DIRECTOR'S NAME	EXECUTIVE STATUS	INDEPENDENCE STATUS
Ian Robertson - Chair	Non-Executive	Independent
Anthony Lee - Chair	Non-Executive	Not independent
Ian Ingram	Non-Executive	Not independent

Details of the qualifications and experience of the members of the Committee is detailed in the 'Information of directors' section of the Directors' report.

The Remuneration Committee oversees remuneration policy and monitors remuneration outcomes to promote the interests of shareholders by rewarding, motivating and retaining employees. The committee's charter sets out the roles and responsibilities, composition and structure of the Committee and is available on the company's website.

The number of Committee meetings held and attended by each member is disclosed in the 'Meetings of directors' section of the Directors' report.



Your Number's Up

The Board acknowledges that it has not followed the ASX Recommendations in relation to the number of members and independence due to the size of the Board.

RECOMMENDATION 8.2 - A LISTED ENTITY SHOULD SEPARATELY DISCLOSE ITS POLICIES AND PRACTICES REGARDING THE REMUNERATION OF NON-EXECUTIVE DIRECTORS AND THE REMUNERATION OF EXECUTIVE DIRECTORS AND OTHER SENIOR EXECUTIVES.

Non-executive directors are remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees. The level of remuneration reflects the anticipated time commitments and responsibilities of the position. Performance based incentives are not available to non-executive directors. Executive directors and other senior executives are remunerated using combinations of fixed and performance based remuneration. Fees and salaries are set at levels reflecting market rates and performance based remuneration is linked directly to specific performance targets that are aligned to both short and long term objectives. Further details in relation to the company's remuneration policies are contained in the Remuneration Report, within the Directors' report.

RECOMMENDATION 8.3 - A LISTED ENTITY WHICH HAS AN EQUITY-BASED REMUNERATION SCHEME SHOULD: (A) HAVE A POLICY ON WHETHER PARTICIPANTS ARE PERMITTED TO ENTER INTO TRANSACTIONS (WHETHER THROUGH THE USE OF DERIVATIVES OR OTHERWISE) WHICH LIMIT THE ECONOMIC RISK OF PARTICIPATING IN THE SCHEME; AND (B) DISCLOSE THAT POLICY OR A SUMMARY OF IT

The use of derivatives or other hedging arrangements for unvested securities of the company or vested securities of the company which are subject to escrow arrangements is prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the company, this will be disclosed.



IAN INGRAM
CHAIRMAN
BA, BSC (ECON) (HONS),
BARRISTER AT LAW

Mr Ingram was the founding Chairman of Beyond International Limited when it was formed in September 1986 and is currently the Non Executive Chairman. During his tenure, Beyond has emerged as one of the world's leading film and television production, sales and distribution organisations.



MIKAEL BORGLUND
MANAGING DIRECTOR AND CEO
BBUS, CA

A founding director of Beyond International in 1984, Mikael Borglund became Managing Director of the Beyond International Limited Group of companies in 1991 having been responsible for production, international sales and finance. During an outstanding career in the film and television industry Mikael has executive produced a number of Australian award winning feature films including *Kiss Or Kill* (1996), *Lantana* (2001), and James Cameron's *Deepsea Challenge* (2014).

Mikael has been Executive Producer of hundreds of hours of television for broadcasters around the globe. His credits include a number of internationally successful shows including, *MythBusters*, *Stingers*, *Good Guys/Bad Guys*, *Halifax Fp*, *Atlas: Australia*, *South Side Story*, *Damage Control* and the animated series *Beat Bugs*.

A highly regarded member of the Australian film and television industry, Mikael was elected to the council of the Screen Producers Association of Australia (SPAA) in 1994, and appointed to the Board of the Australian Film Institute in 1997 - 2005.



IAN ROBERTSON
NON-EXECUTIVE DIRECTOR
LLB, BCOM, FAICD

Ian Robertson is a corporate and media lawyer who heads the media and entertainment practice of national law firm, Holding Redlich. He is also the managing partner of the firm's Sydney office. He has worked in and for the media and entertainment industries for most of his career, including in the 1980's as the in-house counsel for David Syme & Co Limited, publisher of the *The Age* newspaper, and as a senior executive of the video, post-production and facilities company, AAV Australia. He became a partner of Holding Redlich in Melbourne in 1990 and established the firm's Sydney office in 1994.

He is also the deputy chair of the peak Australian Government film agency, Screen Australia and president of the board of the Victorian Government film agency, Film Victoria. His former appointments include board member of the Australian Broadcasting Authority, director and chair of Ausfilm, director and deputy chair of Film Australia Limited, and director of the predecessor agency to Film Victoria, Cinemedia.

Mr Robertson is a Fellow of the Australian Institute of Company Directors.



ANTHONY HSIEN PIN LEE
NON-EXECUTIVE DIRECTOR
B.A. PRINCETON UNIVERSITY
NEW JERSEY USA,
MBA THE CHINESE UNIVERSITY
OF HONG KONG

Mr Lee is a private investor and a Director of Aberon Pty Limited, his investment company. Prior to moving to Sydney from Hong Kong in 1987, Mr Lee was a corporate finance executive with a leading British merchant bank.

YOUR DIRECTORS PRESENT THEIR REPORT ON THE COMPANY AND ITS CONTROLLED ENTITIES ("CONSOLIDATED ENTITY" OR "GROUP") FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016.

1. DIRECTORS

The names of Directors in office at any time during or since the end of the financial year are;

IAN INGRAM Non-Executive Chairman
MIKAEL BORGLUND Managing Director
ANTHONY LEE Non-Executive Director
IAN ROBERTSON Non-Executive Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. COMPANY SECRETARY

The following person held the position of Company Secretary during and at the end of the financial year:

Mr. Paul Wylie, joined Beyond on the 7 November 2013 and was appointed Company Secretary on 7 November 2013. Mr. Wylie is also the General Manager of Finance for the Group.

3. PRINCIPAL ACTIVITIES OF THE GROUP

The principal activities of the group during the financial year were television program production, international sales of television programs and feature films, home entertainment distribution/sales and digital marketing. There was no significant change in the nature of those activities during the financial year.

4. OPERATING RESULTS

The consolidated profit attributable to members of the Company for the financial year was \$5,317,000 (2015: \$5,885,000).

5. DIVIDENDS

An interim 2016 dividend of 5 cents per share was paid in April 2016 and the Company will pay a final 2016 dividend of 5 cents per share (10% franked) in November 2016. This brings the total dividend for the 2016 year to 10 cents per share.

6. REVIEW OF OPERATIONS

Revenue from operations for the year has increased by 9% from \$93,218,000 to \$101,638,000 with operating expenses increasing by \$8,138,000 or 10% year on year.

Net profit after tax is \$5,317,000 for the 2016 financial year - a decrease of 9.6% over the 2015 financial year.

Net cash flow from operating activities was \$5,127,000 (2015: \$8,135,000) with the final 2015 and interim 2016 dividend totalling \$6,136,184 being paid during the period.

TELEVISION PRODUCTION AND COPYRIGHT SEGMENT

Television production external revenue increased by \$3,056,000 or 8.7% to \$38,371,000.

In 2016 the net "copyright income" from the further exploitation of the programs by Beyond Distribution is \$6,450,000 compared to \$6,248,000 in 2015, an increase of 3.2%.

Segment operating EBIT for the 12-month period increased 6.5% to \$9,964,000 (2015: \$9,360,000).

The television series' produced for the US market during the year includes returning titles *Mythbusters* (series 11) and *Deadly Women* (series 9 and 10). New commissions in the year include *The White Rabbit Project* and the first commission for 7Beyond, *My Dream Lottery Home*.

Australian program commissions during the period include *Santos Tour Down Under*, *Deadline Design*, *Fanshaw & Crudnut*, and season 9 and season 10 of *Selling Houses Australia*.

In the 2016 financial year 53% of total segment revenues were transacted in US dollars (2015: 37%).

The 7Beyond joint venture began operating in late 2013, and the result for the current year includes a 50% share of net operating costs of \$404,000. This is an improvement to the share of costs in 2015 of \$560,000. The venture has received a second and third commission from HGTV for *My Dream Lottery Home*.

HOME ENTERTAINMENT SEGMENT (BHE)

Revenue increased by 11% to \$24,894,000 (2015: \$22,463,000) compared to the corresponding 12-month period.

The segment EBIT decreased by 16.5% to \$1,526,000 compared to \$1,827,000 in the 2015 year.

New content released in the period that contributed to the increase in revenue includes: -

- Sales and distribution rights to the Australian Football League (AFL).
- The Network 7 television series *800 Words* Season One.
- *Peter Allen: Not The Boy Next Door* a two-part Australian mini-series.

2nd half trading conditions adversely impacted the EBIT performance of BHE. Factors in the retail environment that have impacted BHE include: -

- Aggressive product discounting (retail driven percentage off sales) by BHE's retail customers fully funded by BHE;
- Discounting of slow-moving inventory and overstocks in the retail channel fully funded by BHE;
- Higher than expected demands for BHE to pay for retail shelf space and promotional participation fees;
- The unexpected reduction of shelf space for the home entertainment category by a major department store;
- Low order volumes from BHE's customers in May and June 2016 due to the uncertainty of the Federal election; and
- The total physical DVD market contracted 4% for the twelve-months ended 30 June 2016.

To complement our existing portfolio of content, BHE in 2017 will launch the following event level programming: -

- *800 Words* Season Two currently broadcast on Network 7;
- *Brock* - a two-part Australian mini-series based on the life of motor racing driver Peter Brock set to screen on Network Ten in 2016;
- *The Secret Daughter* - an Australian drama television series set to screen on the Seven Network in 2016 starring Jessica Mauboy; and
- The 2016 AFL Grand Final.



Deadly Women

TV AND FILM DISTRIBUTION SEGMENT (BEYOND DISTRIBUTION)

Segment revenue has increased by \$3,231,000 or 14.3% to \$25,843,000 compared to the corresponding 12 month period (2015: \$22,612,000).

The segment EBIT for the twelve months decreased by 16.5% to \$2,020,000 from \$2,420,000 in 2015. Increases in costs were due to higher licence fees payable to 3rd party producers and higher rent costs due to a forced relocation of the London office.

During the current period 54% of total segment revenues are denominated in US\$ (2015: 71%).

During the year successful sales were achieved for in house produced series', which include *Mythbusters* and *Deadly Women*.

The most successful third party products sold were *Highway Thru Hell*, *Love It Or List It*, *Chasing Monsters* and *Game of Homes*.

DIGITAL MARKETING SEGMENT (BEYOND D)

Segment revenue has decreased by \$358,000 or 2.8% to \$12,470,000 compared to the corresponding 12 month period (2015: \$12,828,000).

The division reported a loss of \$292,000 for the 12 months from a profit of \$132,000 in 2015.

FIRST had a consistent flow of digital production revenues from key clients in Australia and a very consistent consulting monthly performance by New Zealand. Both the Australian and New Zealand search operations refocused their search engine optimisation offerings around content outreach as well as continuing to improve the conversion rate optimization offering. This enabled the business to secure new clients as well as retain existing clients who otherwise may have been nearing the end of their relationship with the business. The result was that the FIRST business unit again contributed \$1.8 million, a result that mirrors the FY2015 performance in a very competitive space.

The lead generation and performance media section of BeyondD (3Di) had a very difficult year. The market in these categories is very competitive and while the business is still well known for its quality, 3Di has been unable to deliver the quantity of data to make the business profitable. The result was a negative contribution of \$408k for the business unit.

Due to the eroding of the marketplace a decision was made to shift focus for 3Di from its existing membership data sales model. These changes began in Q4, with the initial groundwork being laid for financial year 16/17. This groundwork came with some impacts to FIRST revenue via use by 3Di of FIRST resources and while there was success in getting some of the necessary changes done quickly, revenue benefits were not reflected in the current financial year.

Vigilance on the cost structure of FIRST and its expected continued success, will enable a strong focus on this new programmatic offering of 3Di. This focus is required to return the division to profitability in 2016/17.



7. BALANCE SHEET

The Company upgraded its accounting system during the current reporting period, including a re-structure of its chart of accounts. This has had the impact of re-classifying certain historical asset and liability balances. There was no change in the net assets of the Company. The table below shows the movements between categories:

SUMMARY OF RECLASSIFICATIONS	FY 16 BALANCES CURRENT YEAR REPORT	FY 15 BALANCES PRIOR YEAR REPORT	M'VMT
	\$000'S	\$000'S	\$000'S
Statement of Profit and Loss			
Revenue from Continuing Operations	93,218	91,172	2,046
Royalty Expense	16,944	17,036	-92
Production Costs	26,704	25,726	978
Administration Costs	6,884	6,240	644
Employee benefits expense	15,090	14,575	515
Revenue less expenses	27,595	27,595	-
Statement of Financial Position			
Current Assets			
Trade and other receivables	30,561	29,603	958
Other current assets	15,732	16,770	-1,038
Current Liabilities			
Other current liabilities	10,866	10,946	-80
Net Assets	35,427	35,427	-

8. PRODUCTION FUNDING

During the year the Company secured a funding facility to produce a new series, *The White Rabbit Project*. Security was provided by a licence distribution agreement signed with a major streaming broadcaster, with future licence fees paid directly to the funding facility provider. The Company has no obligation to repay the facility even if the licensee defaults on payment. In the event of default, the facility provider will be able to use the series intellectual property to attempt to extinguish any remaining balance outstanding on the facility. The Company does not carry a value on its balance sheet in relation to the series intellectual property. Accounting standards require that a matching asset and liability are recognised on the balance sheets. These amounts have been recorded as current and non-current values based on the expected repayment schedule to the facility provider. The amount recorded as a current asset and liability is \$3,049,000, while the non-current asset and liability is \$3,931,000.

9. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year ended 30 June 2016.

10. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 30 August 2016 the company declared a final dividend of 5 cents per share to be paid in November 2016. With the exception of dividends there are no subsequent events to declare.

11. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Beyond International Group of companies operates in challenging, competitive sectors. This makes it difficult to detail expected results of operations for the 2017 financial year.

All four operating segments are facing competitive pressures and technological challenges. The television production

and distribution segments operate in an international environment and are subject to economic fluctuations that occur in the different markets in which they operate. Although the company has successfully traded in these markets for over twenty five years it is difficult to predict how these various economies will perform over the short term. It is a similar story for the Distribution division.

Home Entertainment face the challenges of a declining DVD market and aggressive retailers shifting their shelf space model to a more user pays system.

Beyond D needs to ensure relevance by maintaining any technological advantage in a rapidly changing environment.

Over the next twelve months the Company's focus will be to further strengthen the financial performance in all operating segments of the Group in order to generate surplus cash to pay dividends, invest in working capital, and new content. Beyond is also actively seeking and assessing strategic acquisition opportunities in both core business and the digital media sector.

12. INFORMATION ON DIRECTORS & COMPANY SECRETARY

DIRECTOR	QUALIFICATIONS & EXPERIENCE	SPECIAL RESPONSIBILITIES	DIRECTORS' INTERESTS IN SHARES OF BEYOND INTERNATIONAL LIMITED
I INGRAM BA, Bsc(Econ), Honours Barrister at Law	Chairman of Winchester Investments Group Pty Ltd and Sealion Media Ltd as well as Chairman of various private venture capital and investment companies. Member of the Board since 1986	Chairman, member of the Audit Committee, member of the Remuneration Committee, and Chairman of the Nomination Committee.	19,288,888 direct/indirect
M BORGLUND B.Bus, CA	Extensive management & finance experience. Former member of the board of the Australian Film Institute. Member of the Board since 1990	Managing Director, CEO and member of the Nomination Committee.	3,150,949 direct/indirect
A LEE BA, MBA	Director of Aberon Pty Ltd, a private investment company, a substantial shareholder in the company. Member of the Board since 1990	Non-Executive Director, Chairman of the Audit Committee, member of the Remuneration Committee, and member of the Nomination Committee.	5,474,997 direct/indirect
IAN ROBERTSON LL.B. BComm, FAICD	A media and corporate lawyer who heads the media and entertainment practice of national law firm Holding Redlich and is the Managing Partner of the firm's Sydney office. He is President of the Board of the Victorian Government screen agency Film Victoria, and the former Deputy Chair of the Australian Government film agency Screen Australia. Member of the Board since 2006	Non-Executive Director, Chairman of the Remuneration Committee and member of the Nomination Committee.	110,000 direct/indirect
PAUL WYLIE BA Acctg, CPA	Extensive media finance experience with over 30 years in broadcast and subscription television and television production industries. Company Secretary roles for a number of entities during this period	General Manager, Finance Company Secretary	2,000 indirect

The particulars of Directors' interests in shares are as at the date of this report.



13. DIRECTORS' MEETINGS

The numbers of meetings of the Company's Board of Directors and of each Committee held during the financial year ended 30 June 2016, and the number of meetings attended by each Director was:

Director	BOARD OF DIRECTORS MEETINGS		AUDIT COMMITTEE MEETINGS		REMUNERATION COMMITTEE MEETINGS		NOMINATION COMMITTEE MEETINGS	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
I Ingram	7	7	2	2	2	2	2	2
M Borglund	7	7	-	-	-	-	2	2
A Lee	7	7	2	2	2	2	2	2
I Robertson	7	7	-	-	2	2	2	2

14. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has entered into agreements to indemnify all Directors of the Company named in section 1 of this report, and current and former executive officers of the Group, against all liabilities to persons (other than the Company or a related body corporate) which arise out of the performance of their normal duties as Director or executive officer, unless the liability relates to conduct involving a lack of good faith. The Group has agreed to indemnify the Directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

The Group paid insurance premiums totalling \$18,988 in respect of Directors' and officers' liability insurance. The policy does not specify the premium of individual Directors and executive officers.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions, and any resulting payments arising from a liability to persons (other than the Company or a related body corporate) incurred in their position as Director or executive officer, unless the conduct involves a wilful breach of duty or an improper use of inside information or position to gain advantage.

15. REMUNERATION REPORT (AUDITED)

A) REMUNERATION POLICY

The broad approach by the Group to remuneration is to ensure that remuneration packages:

- properly reflect individual's duties and responsibilities;
- are competitive in attracting, retaining and motivating staff of the highest quality; and
- uphold the interests of shareholders.

The remuneration policies adopted are considered to have contributed to the growth of the Group's profits and shareholder benefit by aligning remuneration with the performance of the Group.

B) REMUNERATION APPROACH - NON-EXECUTIVE DIRECTORS

Non-Executive Directors are remunerated from a maximum aggregate amount of \$350,000 per annum.

Current rates effective 1 October 2013 paid to Non-Executive Directors are:

Chairman
\$188,025 p.a.

Non-Executive Director
\$50,000 p.a.

Additional Duties

Chairman of a board committee
\$10,000 p.a.

Member of a board committee
\$5,000 p.a.

The Board's policy is to remunerate Non-Executive Directors at market rates from comparable companies having regard to the time commitments and responsibilities assumed.

There are no termination payments to Non-Executive Directors on retirement from office other than payments relating to their accrued superannuation entitlements.

C) CONTRACTUAL ARRANGEMENTS - KEY MANAGEMENT PERSONNEL

Name	Position	Duration of Contract	Period of Notice to Terminate the Contract
M Borglund	Managing Director	No Fixed term	Either party may terminate on twelve months notice
J Luscombe	General Manager - Productions & Senior Vice President	No Fixed term	Either party may terminate on twelve months notice
P Tehan	General Manager - Legal & Business Affairs	No Fixed term	One month notice given by either party
T McGee	General Manager - Business Development	No Fixed term	One month notice given by either party
M Murphy	General Manager - Distribution	No Fixed term	Three months notice given by either party
P Wylie	General Manager - Finance & Company Secretary	No Fixed term	Three months notice given by either party
P Maddison	General Manager - Home Entertainment	No Fixed term	One month notice given by either party
J Ward	General Manager - Digital Marketing	No Fixed term	Three months notice given by either party

The contracts referred to are currently on foot and variously part performed as to the duration of them. The contracts are terminable by the Company in the event of serious misconduct or non-rectified breach. Only remuneration that is due but unpaid up to the date of termination and normal statutory benefits will be paid in these circumstances.



Beach Cops



D) KEY MANAGEMENT PERSONNEL REMUNERATION

The Board undertakes an annual review of its performance and the performance of the Board Committees against goals set at the start of the financial year. Any performance related bonuses are available to executives of the Company and thus no bonuses are payable to Non-Executive Directors. Any performance related bonuses will be based on the divisional net profit before tax exceeding the annual budget approved by the Board prior to the commencement of the relevant financial year by a minimum percentage, and achieving pre-agreed KPI's. Details of the nature and the remuneration of each Director of Beyond International Limited and each of the seven executives with the greatest authority for the strategic direction and management of the Company and the Group are set out in the following tables.

DIRECTORS OF BEYOND INTERNATIONAL LIMITED

2016

NAME	SALARY & FEES	BONUS	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS (SUPERANNUATION)	OTHER LONG TERM BENEFITS (LEAVE)	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
M Borglund	\$736,446	-	-	\$19,308	\$66,687	-	\$822,441	0%
I Ingram	\$188,025	-	-	-	-	-	\$188,025	0%
A Lee	\$54,795	-	-	\$5,205	-	-	\$60,000	0%
I Robertson	\$54,795	-	-	\$5,205	-	-	\$60,000	0%
TOTAL	\$1,034,061	-	-	\$29,718	\$66,687	-	\$1,130,466	0%

Mikael Borglund's bonus as a percentage of his salary and fees is 0% (2015: 0%). The bonus calculation is based on the Group's net profit before tax against budget.

2015

NAME	SALARY & FEES	BONUS	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS (SUPERANNUATION)	OTHER LONG TERM BENEFITS (LEAVE)	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
M Borglund	\$719,234	-	-	\$18,783	\$12,628	-	\$750,645	0%
I Ingram	\$188,025	-	-	-	-	-	\$188,025	0%
A Lee	\$54,795	-	-	\$5,205	-	-	\$60,000	0%
I Robertson	\$54,795	-	-	\$5,205	-	-	\$60,000	0%
TOTAL	\$1,016,849	-	-	\$29,193	\$12,628	-	\$1,058,670	0%

Mr Borglund is the only Executive Director employed by Beyond International Limited.

During the 2016 financial year the Group did not exceed the budget by the set criteria and as such Mikael Borglund was not entitled to a performance bonus. For the 2015 financial year the Group did not exceed the budget by the set criteria and as such Mikael Borglund was not entitled to a performance bonus.

EXECUTIVE OFFICERS' REMUNERATION

2016

NAME	SALARY & FEES	BONUS	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS (SUPER-ANNUATION)	OTHER LONG TERM BENEFITS (LEAVE)	TERMINATION BENEFITS	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
J Luscombe	\$556,340	\$443,051	-	\$19,309	\$31,274	-	-	\$1,049,975	0%
P Wylie	\$244,391	-	-	\$19,309	\$9,407	-	-	\$273,106	0%
T McGee	\$244,614	-	-	\$19,309	\$(5,122)	-	-	\$258,800	0%
M Murphy	\$282,727	\$13,691	-	\$12,548	\$32	-	-	\$308,998	0%
P Tehan	\$223,150	-	-	\$19,309	\$12,536	-	-	\$254,994	0%
P Maddison	\$339,312	-	-	\$19,309	\$10,302	-	-	\$368,922	0%
J Ward	\$220,000	-	-	\$19,309	\$(12,676)	-	-	\$226,632	0%
TOTAL	\$2,110,534	\$456,742	-	\$128,396	\$45,753	-	-	\$2,741,426	0%

2015

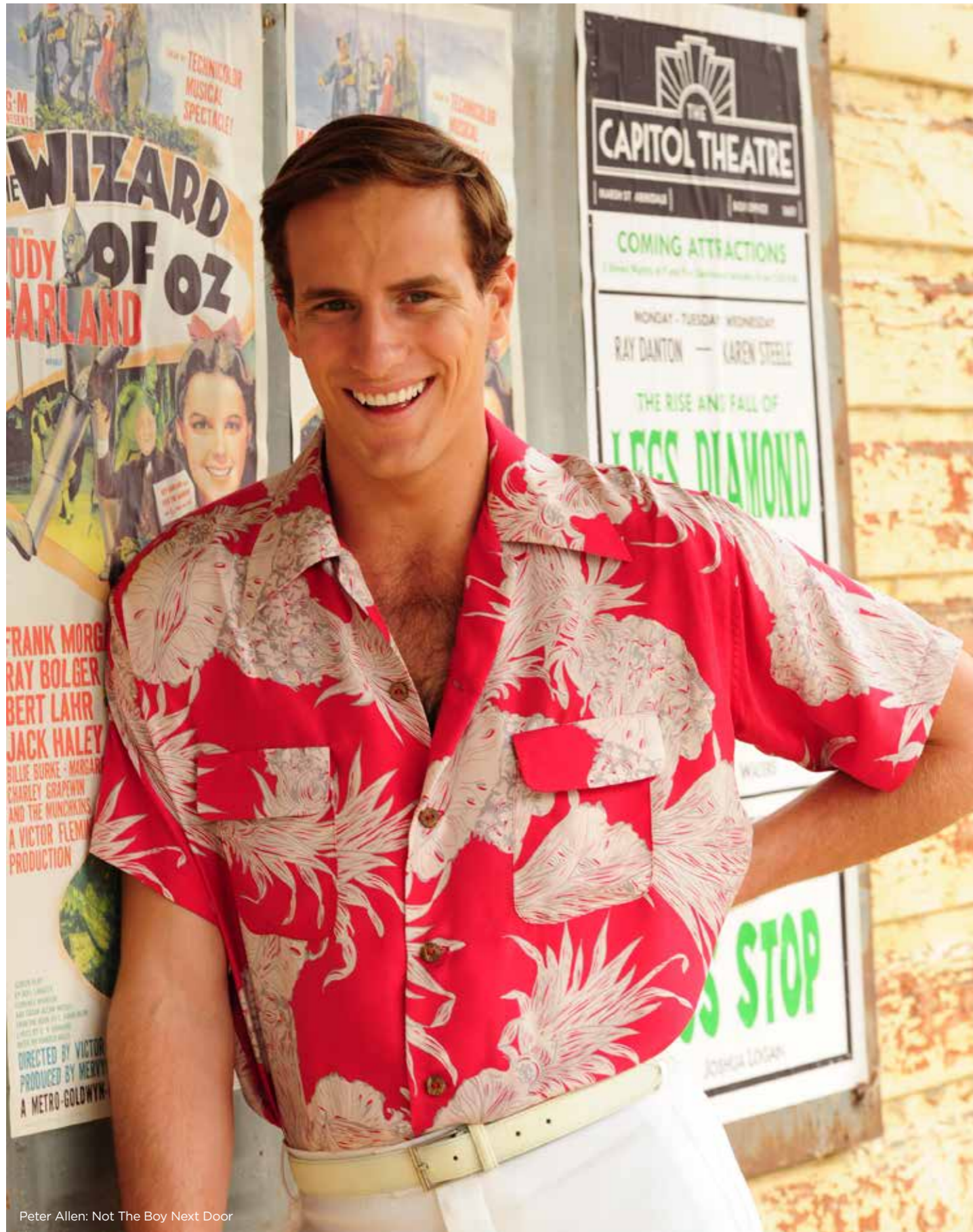
NAME	SALARY & FEES	BONUS	NON-MONETARY BENEFITS	POST-EMPLOYMENT BENEFITS (SUPER-ANNUATION)	OTHER LONG TERM BENEFITS (LEAVE)	TERMINATION BENEFITS	SHARE BASED PAYMENTS	TOTAL	SHARE BASED PAYMENTS % OF TOTAL
J Luscombe	\$547,450	\$670,145	-	\$18,783	\$29,215	-	-	\$1,265,593	0%
P Wylie	\$224,899	-	-	\$18,783	\$(2,470)	-	-	\$241,212	0%
T McGee	\$268,845	-	-	\$18,783	\$16,849	-	-	\$304,477	0%
M Murphy	\$259,714	\$45,011	-	-	\$4,339	-	-	\$309,064	0%
P Tehan	\$205,447	-	-	\$18,783	\$12,854	-	-	\$237,084	0%
P Maddison	\$329,171	-	-	\$18,783	\$4,924	-	-	\$352,878	0%
J Ward	\$199,999	-	-	\$18,783	\$7,569	-	-	\$226,351	0%
TOTAL	\$2,035,525	\$715,156	-	\$112,698	\$73,280	-	-	\$2,936,659	0%

John Luscombe's bonus as a percentage of his salary and fees is 79.6% (2015: 122%). The bonus calculation is based on the financial performance of programs created and produced, and divisional net profit before tax performance to budget.

Michael Murphy's bonus as a % of his salary and fees is 4.8% (2015: 17.3%). The bonus is based on earnings before foreign exchange, interest and income tax against budget for the 2014/15 financial year. This bonus was paid in the 2016 financial year.

During the 2016 financial year, the Group did not exceed the budget by the set criteria or for the individual divisions. As such no executives, other than John Luscombe and Michael Murphy were entitled to a performance bonus. Both have been received and are detailed above.

In the 2015 financial year the budget criteria was not met and consequently those executives other than John Luscombe and Michael Murphy were not entitled to this bonus.



Peter Allen: Not The Boy Next Door

EXECUTIVE OFFICERS' SHAREHOLDINGS

2016

SPECIFIED EXECUTIVES	BALANCE 1.07.15	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER*	BALANCE 30.06.16
J Luscombe	273,478	-	-	-	273,478
T McGee	75,000	-	-	-	75,000
P Tehan	75,000	-	-	-	75,000
P Maddison	-	-	-	-	-
P Wylie	2,000	-	-	-	2,000
M Murphy	-	-	-	-	-
J Ward	-	-	-	-	-
TOTAL	425,478	-	-	-	425,478

2015

SPECIFIED EXECUTIVES	BALANCE 1.07.14	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER*	BALANCE 30.06.15
J Luscombe	273,478	-	-	-	273,478
T McGee	75,000	-	-	-	75,000
P Tehan	75,000	-	-	-	75,000
P Maddison	50,000	-	-	(50,000)	-
P Wylie	2,000	-	-	-	2,000
M Murphy	-	-	-	-	-
J Ward	-	-	-	-	-
TOTAL	475,478	-	-	(50,000)	425,478

* The net change from the opening balance represents sale or purchase of shares during the year.



Fanshaw & Crudnut



TRANSACTIONS WITH OTHER RELATED PARTIES

J Luscombe is a director of Ryzara Pty Ltd. The company has received payments for services rendered by J Luscombe during the year. These fees are included as part of the Executive Remuneration disclosed in Note 26 and the Remuneration Report.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2015 ANNUAL GENERAL MEETING (AGM)

The company received 100% of "for" votes in relation to its remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration policy.

BEYOND INTERNATIONAL EMPLOYEE SHARE PLAN

The Board has adopted an employee share plan (note 23) under which employees and Directors of the Group may subscribe for shares in the Company using funds loaned to them by the Group. The Board has also adopted a share plan on substantially the same terms for consultants of the Group (Consultant Plan). The purpose of the Employee Share Plan is to:

- assist in the retention and motivation of employees and Directors of the Group by providing them with a greater opportunity to participate as shareholders in the success of the group; and

- create a culture of share ownership amongst the employees of the Group. The employee share plan was approved by shareholders at the Company's extraordinary general meeting on 12th April 2006.

2,587,500 shares have been issued under the Employee Share Plan to eligible employees and Directors and the Group has entered into loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares have been issued in accordance with the Employee Share Plan rules.

Under the Employee Share Plan rules the Board of the Group has the power to decide which full time or permanent part-time employees and Directors of the Group will participate in the Employee Share Plan and the number of shares offered to each participant. The number of shares offered to be issued under the Employee Share Plan and Consultants Plan in a five year period must not exceed 5% of the total number of issued shares at the time of the offer, disregarding certain share issues.

The shares granted under the Employee Share Plan may be subject to any restrictions the Board considers appropriate and the Board may implement any procedure the Board considers appropriate to restrict the disposal of shares acquired under the Employee Share Plan. The Board also has the power to vary or terminate the Employee Share Plan at any time, subject to the ASX Listing Rules and the Corporations Act 2001.

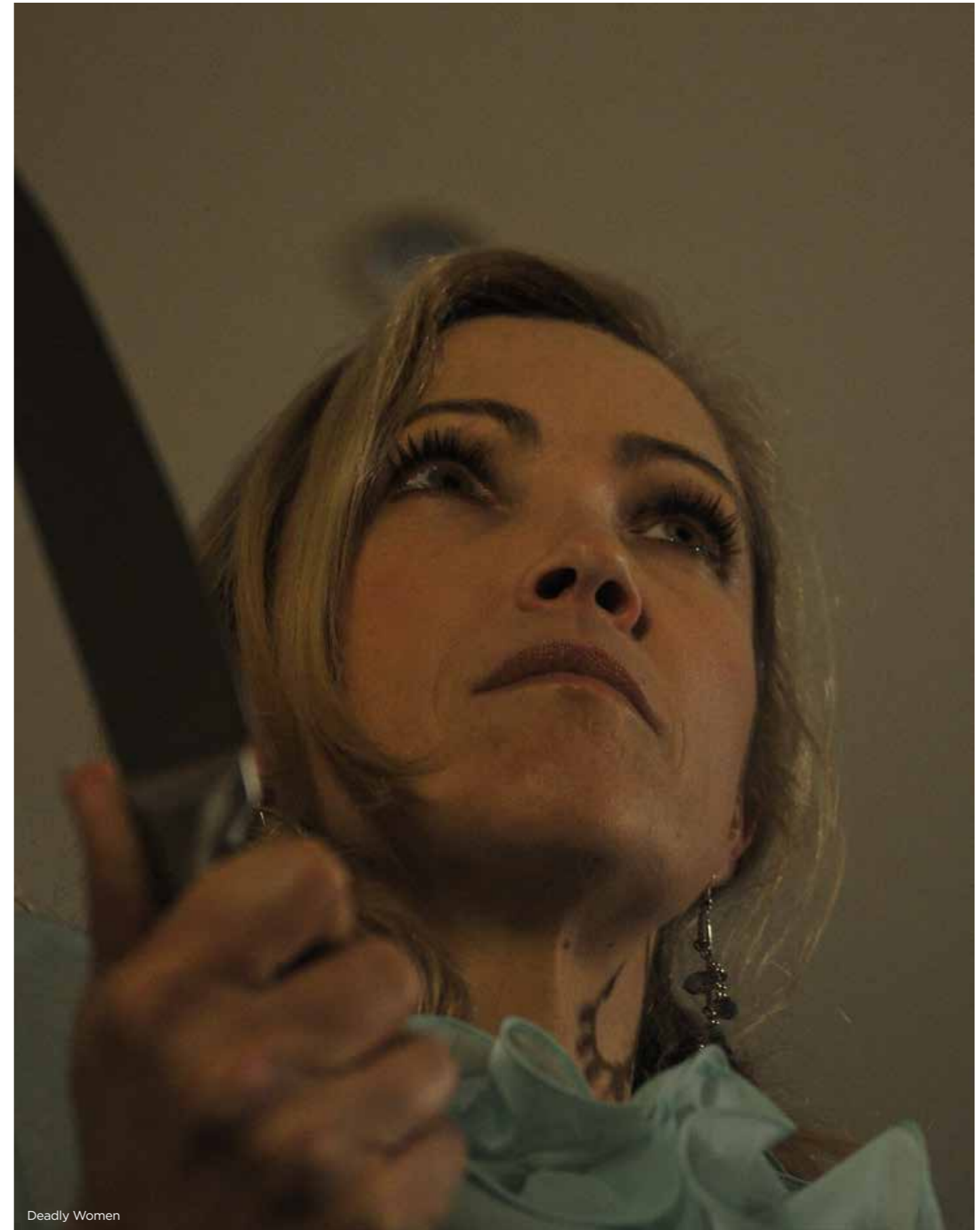
Below are the key financial indicators for the previous five years.

	EBIT 000s	NET PROFIT 000s	EPS (CENTS PER SHARE)	NTA PER SHARE	TOTAL EQUITY 000s	RETURN ON EQUITY	DIVIDENDS (CENTS PER SHARE)
2012	10,190	8,463	14.39	48.33	36,249	23.35%	6.00
2013	10,841	9,273	15.12	59.00	42,074	22.04%	7.00
2014	8,837	7,975	13.00	64.58	45,639	17.47%	9.00
2015	5,964	5,885	9.59	64.28	45,490	12.94%	10.00
2016	5,553	5,317	8.67	63.79	44,807	11.87%	10.00

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

During the financial year, payments for legal services from Holding Redlich (director-related entity of Ian Robertson) of \$53,636 were made. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report that has been audited.



Deadly Women



16. TOTAL NUMBER OF EMPLOYEES

The total number of fulltime equivalent employees employed by the Group at 30 June 2016 was 132 as compared with 137 at 30 June 2015.

17. SHARES UNDER OPTION

At the date of this report, there are no un-issued ordinary shares of Beyond International Limited under option.

18. SHARES REDEEMED UNDER THE EMPLOYEE SHARE PLAN

200,000 shares have been redeemed from the Beyond International Limited employee share plan during or since the end of the financial year. No further shares have been approved by the Board of Directors under this plan.

19. ENVIRONMENTAL REGULATIONS

The Group has assessed whether there are any particular or significant environmental regulations which apply to it and has determined that there are none.

20. CORPORATE GOVERNANCE STATEMENT

Please see following URL of the company website page where the statement is located.

<http://www.beyond.com.au/corporate/corporate-governance>

21. ROUNDING OF AMOUNTS

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance

with that Corporations Instrument, amounts in the directors' report and the financial statements are rounded off to the nearest \$1,000, or in certain cases, the nearest dollar.

22. PROCEEDINGS ON BEHALF OF 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 any part of those proceedings.

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

23. NON AUDIT SERVICES

During the year BDO, the Company's auditor, delivered tax services and performed audits in relation to non-statutory submissions.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2016:

Tax compliance services \$57,605

When considering BDO to provide additional services the Board considers the non-audit services provided to ensure it is satisfied that the provision of these non-audit services by the auditor is

compatible with, and will not compromise the auditor independence requirements of the Corporations Act 2001. In particular it ensures that:

- All non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- Non-audit services provided do not undermine the general principles relating to audit in a management or decision making capacity for the

Company, acting as an advocate for the Company, or jointly sharing risks and rewards.

24. AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, is set out on page 18.

AUDITOR DETAILS

BDO East Coast Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

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

For and on behalf of the Board

Mikael Borglund
Managing Director
30 September 2016
Sydney



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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY JOHN BRESOLIN TO THE DIRECTORS OF BEYOND INTERNATIONAL LIMITED

As lead auditor of Beyond International Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Beyond International Limited and the entities it controlled during the financial year.

John Bresolin
Partner

BDO East Coast Partnership
Sydney, 30 September 2016

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



Heavy Rescue



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

CONSOLIDATED ENTITY			
	NOTES	2016	2015
		\$000'S	\$000'S
Revenue from continuing operations	3 (a)	101,638	93,218
Other income	3 (a)	161	851
Share of profits of joint ventures accounted for using the equity method	14	-	-
Royalty expense		21,980	16,944
Production costs		28,730	26,704
Home entertainment direct costs		10,491	7,787
Digital marketing direct costs		8,576	8,901
Administration costs		6,007	6,884
Employee benefits expense		15,234	15,090
Finance costs	3 (b)	35	49
Provisions		1,342	1,589
Depreciation and amortisation expense	3 (b)	2,900	3,546
Net foreign exchange loss	3 (b)	494	-
Share of loss of joint venture accounted for using the equity method	14	404	560
Profit before income tax	4 (b)	5,604	6,013
Income tax expense	4 (a)	(287)	(128)
Profit after income tax for the year		5,317	5,885
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Changes in the fair value of available-for-sale financial assets	10 (a)	10	(4)
Foreign currency translation		(1)	12
Other comprehensive income for the year, net of tax		9	8
Total comprehensive income for the year		5,326	5,893
Profit is attributable to:			
Owners of Beyond International Limited		5,317	5,885
Non-controlling interest		-	-
		5,317	5,885
Total comprehensive income for the year is attributable to:			
Owners of Beyond International Limited		5,326	5,893
Non-controlling interest		-	-
		5,326	5,893

Earnings per share attributable to the owners of Beyond International Ltd		Cents	Cents
Basic and diluted earnings per share	5	8.67	9.59
Dividends per share (cents)	20	10.00	10.00

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

CONSOLIDATED ENTITY			
	NOTES	2016	2015
		\$000'S	\$000'S
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	6,379	10,403
Trade and other receivables	7	32,388	30,561
Financial assets	10(b)	-	-
Inventories	8	2,882	3,069
Other current assets	9	16,454	15,732
TOTAL CURRENT ASSETS		58,103	59,764
NON-CURRENT ASSETS			
Trade and other receivables	7	8,496	1,831
Investments accounted for using the equity method	14	-	-
Financial assets	10(a)	14	4
Property plant and equipment	11	2,590	1,850
Intangible assets	12	5,681	6,062
Deferred tax assets	4(c)	314	804
Other non-current assets	9	751	518
TOTAL NON-CURRENT ASSETS		17,846	11,071
TOTAL ASSETS		75,949	70,835
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	4,696	6,025
Financial liabilities	10(b)	4	91
Employee benefits	15	3,538	2,902
Current tax liabilities	4(d)	-	134
Other Financial Liabilities	16	3,049	-
Other current liabilities	17	10,678	10,866
TOTAL CURRENT LIABILITIES		21,966	20,018
NON-CURRENT LIABILITIES			
Deferred tax liabilities	4(c)	3,050	4,029
Employee benefits	15	340	588
Other financial liabilities	16	3,931	-
Other non-current liabilities	17	1,854	710
TOTAL NON-CURRENT LIABILITIES		9,175	5,328
TOTAL LIABILITIES		31,141	25,346
NET ASSETS		44,807	45,490
EQUITY			
Issued capital	18	33,991	33,867
Reserves	19	(94)	(103)
Retained earnings		10,910	11,727
TOTAL EQUITY		44,807	45,490

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

CONSOLIDATED ENTITY	ISSUED CAPITAL	RESERVES	RETAINED EARNINGS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	\$000'S		\$000'S	\$000'S	\$000'S	\$000'S
Balance at 1 July 2015	33,867	(103)	11,727	45,490	-	45,490
Profit for the year	-	-	5,317	5,317	-	5,317
Other comprehensive income for the year, net of tax	-	9	-	9	-	9
Other movements in reserves						
Total comprehensive income for the year	-	9	5,317	5,326	-	5,326
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(6,134)	(6,134)	-	(6,134)
Employee share plan	124	-	-	124	-	124
Balance at 30 June 2016	33,991	(94)	10,910	44,807	-	44,807
Balance at 1 July 2014	33,775	(111)	11,976	45,640	-	45,640
Profit for the year	-	-	5,885	5,885	-	5,885
Other comprehensive income for the year, net of tax	-	8	-	8	-	8
Total comprehensive income for the year	-	8	5,885	5,893	-	5,893
Transactions with owners in their capacity as owners:						
Dividends paid or provided for	-	-	(6,134)	(6,134)	-	(6,134)
Employee share plan	92	-	-	92	-	92
Balance at 30 June 2015	33,867	(103)	11,727	45,490	-	45,490

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	CONSOLIDATED ENTITY		
	NOTES	2016	2015
		\$000'S	\$000'S
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		101,124	90,391
Payments to suppliers and employees		(94,854)	(81,859)
Interest received		86	184
Finance costs paid		(35)	(49)
Income tax paid		(1,195)	(532)
Net cash from by operating activities	6(b)	5,127	8,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,671)	(899)
Investment in websites and databases		(246)	(706)
Distribution guarantees paid		(2,945)	(2,285)
Distribution guarantees recouped		3,381	1,605
Prepaid royalties		(1,765)	(2,427)
Prepaid royalties recouped		1,628	3,084
Proceeds from sale of property, plant and equipment		1	(1)
Payment for investments & joint venture		(1,011)	(303)
Investment in development projects		(512)	(356)
Net cash flows used in investing activities		(3,139)	(2,286)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	23	125	92
Dividend paid		(6,136)	(6,523)
Net cash flows used in financing activities		(6,012)	(6,431)
Net (decrease)/increase in cash held		(4,024)	(582)
Effect of exchange rates on cash holding in foreign currencies			
Cash and cash equivalents at the beginning of the financial year		10,403	10,985
Cash and cash equivalents at the end of the financial year	6(a)	6,379	10,403

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Beyond International Limited for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the Board of Directors on 30th September 2016.

Beyond International Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange.

The financial report covers the consolidated entity of Beyond International Limited and its controlled entities ("the Consolidated Entity" and/or "the group").

(A) STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report that has been prepared in accordance with

Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for profit oriented entities. The financial report has been prepared on an accruals basis and is based on historical costs, except where stated. The Consolidated Entity has not adopted a policy of revaluing its non-current assets on a regular basis. Non-current assets are revalued from time to time as considered appropriate by the directors and are not stated at amounts in excess of their recoverable amounts.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting

Standards, as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

In the current year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. The adoption of the revised Standards and Interpretations has had no material impact on the recognition and measurement criteria, only minor changes to some of the disclosure within the financial statements.

The following Australian Accounting Standards have been issued or amended and are applicable to the Consolidated Entity but are not yet effective. They have not been adopted in preparation of the financial

statements at reporting date. This list is not complete however it represents the key standards applicable to the Consolidated Entity.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Beyond International Limited ("company" or "parent entity") as at 30 June 2016 and the results of all subsidiaries for the year then ended. Beyond International Limited and its subsidiaries together are referred to in these financial statements as "the consolidated entity" and/or "the Group".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full,

even if that results in a deficit balance.

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

A list of controlled entities is contained in note 24 to the financial statements. Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

(C) INCOME TAX

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (or recovered from) the relevant tax authority.

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also arise where amounts have been fully expensed but future deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, 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, based on tax rates enacted or

substantively enacted at the reporting date. 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.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

Beyond International Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own deferred tax assets and liabilities, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the head entity, being Beyond International Limited. The current tax liability for each group entity is then subsequently assumed by the parent entity.

The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Pursuant to the funding arrangement, transfers of tax losses or tax liabilities are assumed by the head entity through intercompany loans.

(D) GOODS AND SERVICES TAX (GST)

"Revenues, expenses and assets are recognised net of the amount of GST, except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

AASB AMENDMENT	AFFECTED STANDARD(S)	EFFECT OF CHANGE IN ACCOUNTING POLICY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR GROUP
AASB 16	AASB 16 'Leases'	Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.	1 January 2019	1 July 2019
AASB 9	AASB 9 'Financial Instruments'	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 January 2018	1 July 2018
AASB 15	AASB 15 'Revenue from Contracts with Customers'	Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.	1 January 2018	1 July 2018
AASB 2014-3	Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations	The potential effect of the initial application of the expected Standard has been considered by the Directors, and they do not believe it will have a material impact on the financial statements.	1 January 2016	1 July 2016



The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(E) REVENUE RECOGNITION

Revenue from operating activities represents revenue earned from the sale and licensing of the Consolidated Entity's products and services, net of returns and trade allowances. Other revenue from outside the operating activities includes interest income on short term investments, proceeds from sale of plant and equipment and net gains on foreign currency transactions.

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Consolidated Entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from Australian and international television production contracts is recognised using the percentage of completion method.

Revenues from international television and feature film licensing contracts are recognised when the programming is able to be delivered and a licence agreement is signed by both parties.

When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Royalty revenue within the Distribution and Film divisions is recognised when received.

Revenues from the sale of DVD inventory is recognised at the time the goods are dispatched, apart from consignment arrangements where revenue is recognised upon sale to the end customer.

Rending of services revenue from a digital marketing contract to provide services is recognised by reference to the stage of completion of the project. Other digital marketing revenue is recognised when it is received or when the right to receive payment is established.

Where amounts are invoiced before revenue is earned, a deferred revenue liability is brought to account.

(F) BORROWING COSTS

Borrowing costs are recognised as an expense when incurred. Borrowing costs include:

- Interest on bank overdraft and short-term and long-term borrowings; and
- Finance lease charges.

(G) CASH AND CASH EQUIVALENTS

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(H) RECEIVABLES

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts or impairment. The following specific recognition criteria must also be met before a receivable is recognised:

Production debtors – receivables are recognised as they are due for settlement, within a term of no more than 30 days.

Licensing debtors – receivable is recognised once a licence agreement is signed by both parties and the programme is able to be delivered. Payment terms are usually based upon signature, delivery and acceptance. In certain contracts instalment payments may extend over the term of the licence agreement.

A provision for doubtful debts is raised when there is objective evidence that the Consolidated Entity will not be able to collect the debts based on a review of all outstanding amounts at the reporting date. Bad debts are written off when they are identified.

(I) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Inventories represent stock TV footage and DVD stock at cost. As the footage is used it will be included within the production cost of the programme.

Inventories sold on consignment remain in the financial statements as stock on hand until sold to the end customer.

Costs are assigned to an individual item of inventory on the basis of weighed average costs.

(J) INVESTMENTS

Investments have been brought to account as follows:

Interests in subsidiary companies and trusts

The Company's interests in listed and un-listed companies and trusts are brought to account at cost and dividends and other distributions are recognised in the Statement of Profit or Loss and Other Comprehensive Income when receivable. Controlled entities are accounted for in the consolidated financial statements as set out in note 1 (B).

Where, in the opinion of the Directors, there has been a diminution in the value of an investment, the carrying amount of the investment is written down to its recoverable amount.

(K) CAPITALISED PRODUCTION COSTS

Television production costs are capitalised and amortised against future sales revenue. Forecast sales revenues are reviewed regularly and the amortisation rate is adjusted to reflect the estimates of future licensing revenue of each production. Where doubt exists as to the ability to recover the expenditure from future sales, the amounts in doubt are provided for in the year in which the assessment is made.

Capitalised production costs are disclosed in the accounts net of any cash progress payments received on projects. Where such progress payments exceed these costs the net amounts are disclosed as deferred revenue.

(L) CAPITALISED DEVELOPMENT COSTS

Costs of developing new programme concepts, which the Directors believe are probable of being recovered from future revenues, are capitalised. Capitalised costs are costed into the production or are written off in the event that the programme does not proceed. These costs are classified as current assets as the costs of developing new programmes are expected to be realised within one year.

(M) DISTRIBUTION ADVANCES AND PREPAID ROYALTIES

Distribution advances for television and feature film distribution rights, and prepaid royalties for the DVD rights, are capitalised at cost as paid, and recouped from future sales on cash receipt.

Where doubt exists as to the ability to recover the expenditure from future sales, the amounts in doubt are provided for in the year in which the assessment is made.

(N) LEASES

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

Where property, plant and equipment is acquired by means of finance leases, the present value of the minimum lease payments is recognised as an asset at the beginning of the lease term and amortised on a straight line basis over the expected useful life of the leased asset. A corresponding liability is also established and each lease payment is allocated between the liability and finance charge.

Operating lease payments are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight line basis.

(O) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost.

Depreciation and Amortisation

Depreciation on property, plant and equipment is calculated on a straight line basis to write off the net cost over its expected useful life to the Consolidated Entity. Estimates of the remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items.

The expected useful lives are as follows:

Plant equipment & leasehold improvements: 2 - 15 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

(P) INTANGIBLE ASSETS

Goodwill

Goodwill acquired and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and licenses

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life, which is 20 years.

Websites and Databases

Websites and Databases are recognised at cost. Websites and Databases are amortised over their useful life, which is 4 years.

(Q) IMPAIRMENT OF ASSETS

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

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.

(R) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(S) PRODUCER SHARE PAYABLES

These amounts represent the amounts due to producers contracted for payment as royalties upon receipt of licensing sales.

(T) EMPLOYEE BENEFITS

Short-term employee benefits

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



Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

(U) SHARE-BASED PAYMENT TRANSACTIONS

Equity settled transactions:

The group provides benefits to employees of the group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently one plan in place to provide these benefits: the Employee Share Loan Plan.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the market value of a share on the date which they are granted.

The cost of equity-settled transactions is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the vesting period.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects:

- (i) the extent to which the vesting period has expired; and
- (ii) the group's best estimate of the number of equity instruments that will ultimately vest.

(V) BORROWINGS

Loans and borrowings are recorded at their principal amounts. Subsequently they are measured at amortised cost using the effective interest method.

(W) FOREIGN CURRENCY TRANSLATION

Transactions denominated in a foreign currency are converted to Australian currency at the exchange rate at the date of the transaction. Foreign currency receivables and payables at the reporting date are translated at exchange rates at the reporting date. Exchange gains and losses are brought to account in determining the profit or loss for the year.

Exchange gains and losses arising on forward foreign exchange contracts entered into as hedges of specific commitments are deferred and included in the determination of the amounts at which the transactions are brought to account. Specific hedging is undertaken in order to avoid or minimise possible adverse financial effects of movements in foreign exchange rates. If the hedging transaction is terminated prior to its maturity date and the hedged transaction is still expected to occur, deferral of any gains and losses which arose prior to termination continues, and those gains and losses are included in the measurement of the hedged transaction.

In those circumstances where a hedging transaction is terminated prior to maturity because the hedged transaction is no longer expected to occur, any previous deferred gains or losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income at the date of termination. All exchange gains and losses relating to other hedge transactions are brought to account in the Statement of Financial Position in the same period as the exchange differences on the items covered by the hedge transactions. Costs on such contracts are expensed as incurred.

Exchange gains and losses on the other hedge transactions entered into as hedges of general commitments are brought to account in the Statement of Profit or Loss and Other Comprehensive Income in the financial year in which the exchange rate changes.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Assets and liabilities of overseas controlled entities and branches are translated at exchange rates existing at the reporting date and the exchange gain or loss arising on translation is carried directly to a foreign currency translation reserve.

(X) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Functional and presentation currency

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 Company's functional and presentation currency.

Transaction and balances

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 the Statement of Profit or Loss and Other Comprehensive Income.

(Y) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Shares held in a listed entity are classified as being available-for-sale. These assets were initially recorded at cost and at each reporting date are revalued to fair value. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve unless there is a prolonged or significant decline, upon which the loss is recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The classification of items within this category depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(Z) DERIVATIVE FINANCIAL INSTRUMENTS

The Consolidated Entity enters into forward foreign exchange agreements and foreign currency options on production contracts in order to manage its exposure to the issue of new shares or options to foreign exchange rate risks. Exchange contracts are brought to account as explained in note 1(W).

(AA) ISSUED CAPITAL

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

(AB) EARNINGS PER SHARE

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(AC) COMPARATIVE FIGURES

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

(AD) ROUNDING OF AMOUNTS

The Consolidated Entity is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, dated 24 March 2016 and in accordance with that Corporations Instrument, amounts in the directors' report and the financial statements are rounded off to the nearest \$1,000, or in certain cases, the nearest dollar.

(AE) FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(AF) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Directors evaluate estimates and judgments incorporated into the financial report 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.

Sections within this financial report whereby estimates and judgments have a material impact are as follows:

- the recoverability of Distribution Advances and Prepaid Royalties in Note 9 has been assessed using an estimate of future sales for the respective titles;
- the recoverability of Capitalised Development Costs in Note 9 is assessed based on a judgment as to whether each program will proceed in the forthcoming year(s);
- Capitalised Production Costs in Note 9 are calculated using an estimate of future sales on a specified title. The recoverability of this asset is assessed based on a judgment as to whether the initial estimated sales will be reached;
- Goodwill and other intangible assets are assessed annually based on an estimate of the value-in-use of the cash generating units to which goodwill and other intangible assets have been allocated. The value-in-use calculation requires the Consolidated Entity to estimate the future cash flows expected to arise from the cash-generating unit. The calculation also uses an estimated growth rate, and a discount rate in order to calculate present value. Details of these estimated rates are provided in Note 12.
- Deferred tax assets are recognised for deductible temporary differences and brought forward income tax losses only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.



(AG) PARENT ENTITY INFORMATION

These financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 28.

(AH) JOINT VENTURES

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the

share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduces the carrying amount of the investment. A liability is recognised in other creditors and accruals when the losses generated by the joint venture exceed the amount invested into it.

(AI) CHANGES TO PRIOR YEAR CLASSIFICATIONS

During the year the Consolidated Entity changed its chart of accounts structure. This has meant that a number of items in 2015 have been re-classified to match the new structure in 2016.

SUMMARY OF RECLASSIFICATIONS	FY 15 BALANCES CURRENT YEAR REPORT \$000'S	FY15 BALANCE PRIOR YEAR REPORT \$000'S	M'VMT \$000'S
Statement of Profit and Loss			
Revenue from Continuing Operations	93,218	91,172	2,046
Royalty Expense	16,944	17,036	(92)
Production Costs	26,704	25,726	978
Administration Costs	6,884	6,240	644
Employee benefits expense	15,090	14,575	515
Revenue less expenses	27,595	27,595	-
Statement of Financial Position			
Current Assets			
Trade and other receivables	30,561	29,603	958
Other current assets	15,732	16,770	(1,038)
Current Liabilities			
Other current liabilities	10,866	10,946	(80)
Net Assets	35,427	35,427	-
The reclassification above had no impact on the reported result or the financial position of the consolidated entity.			



Pokemon



2. OPERATING SEGMENTS

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Board considers the business on a global basis in the following four operating divisions:

TV production and copyright

Production of television programming and ownership of television product copyright.

Film and Television distribution

International distribution of television programmes and feature films.

Home Entertainment

Distribution in Australia and New Zealand of DVDs.

Digital Marketing

Online search optimisation, website creation, development and performance and online media sales in Australia and New Zealand.

Corporate benefit/(expense)

Includes the parent entity, centralised administrative support services to the group comprising legal and business affairs, finance and human resources, in addition to internet development. None of these activities constitute a separately reportable business segment.

Geographical segments

Although the Consolidated Entity's divisions are managed on a global basis they operate in four main geographical areas:

Australia

The home country of the parent entity. The areas of operation include all core business segments.

North America

A portion of the group's production, film and television sales are generated from North America, with production offices in Los Angeles.

Europe

Substantial film and television distribution proceeds are derived from European markets. The group's head office for multinational activities is located in Dublin. This office is responsible for production and development, and for the acquisition and international sales of all television programmes and feature films. The Dublin office manages the direct sales and marketing activities of the office located in London, which represents the second overseas sales office base.

Rest of World

The Rest of World comprises all other territories from which film and television distribution income is derived including the Middle East, Asia, and Latin America.

OPERATING SEGMENT	TV PRODUCTION & COPYRIGHT		FILM & TELEVISION DISTRIBUTION		HOME ENTERTAINMENT		DIGITAL MARKETING		OTHER & INTER SEGMENT ELIMINATIONS		CONSOLIDATION	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S
REVENUE												
External revenues excluding fx, interest	38,371	35,316	25,843	22,612	24,894	22,463	12,470	12,828	60	-	101,638	93,218
Other income	-	-	-	-	-	-	-	-	-	-	-	-
Other segments (b)	5,575	4,868	49	78	-	20	234	313	(5,858)	(5,279)	-	-
Total revenue	43,946	40,184	25,892	22,690	24,894	22,483	12,704	13,141	(5,798)	(5,279)	101,638	93,218
Result before fx, interest and D&A	10,761	8,915	1,670	2,436	2,301	2,437	(241)	848	-	-	14,491	14,636
Depreciation & amortisation	1,292	2,021	-	16	775	610	51	716	-	-	2,118	3,363
Impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-
Result before interest, fx & other unallocated expenses	9,469	6,894	1,670	2,420	1,526	1,827	(292)	132	-	-	12,373	11,273
Net interest income											51	49
Foreign exchange gain / (loss)											(494)	509
Corporate expenses											(6,326)	(5,818)
Profit before income tax											5,604	6,013
Income tax expense											(287)	(128)
Profit after income tax											5,317	5,885
Non-controlling interest loss											-	-
Profit for the year											5,317	5,885

OPERATING SEGMENT	TV PRODUCTION & COPYRIGHT		FILM & TELEVISION DISTRIBUTION		HOME ENTERTAINMENT		DIGITAL MARKETING		INTER SEGMENT ELIMINATIONS		CONSOLIDATION	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S
ASSETS												
Segment assets	183,329	86,573	42,664	128,969	27,714	26,372	5,543	5,518	(189,077)	(206,096)	70,172	41,336
Deferred tax assets and other non-current assets											314	804
Corporate assets											5,463	28,695
Total assets											75,949	70,835

LIABILITIES												
OPERATING SEGMENT	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S
Segment liabilities	159,772	22,656	56,402	160,158	11,882	11,860	6,396	6,089	(202,576)	(183,931)	31,876	16,832
Deferred tax liabilities											3,050	4,029
Corporate liabilities											(3,785)	4,485
Total liabilities											31,141	25,346

Other												
OPERATING SEGMENT	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S
Capital expenditure	290	280	141	2	698	617	48	-	494	-	1,671	899
Other non cash expenses	479	332	233	567	0	0	130	54	256	-	1,098	953
Impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-

GEOGRAPHICAL INFORMATION	SEGMENT REVENUES FROM EXTERNAL CUSTOMERS		CARRYING AMOUNT OF SEGMENT ASSETS		ACQUISITION OF NON CURRENT SEGMENT ASSETS	
	2016	2015	2016	2015	2016	2015
	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S
Australia	56,162	56,755	46,791	63,502	1,522	787
North America	28,027	19,500	4,153	(1,340)	-	111
Europe	9,763	9,356	22,197	5,579	139	1
Rest of World	7,686	7,606	2,809	3,094	10	-
	101,638	93,218	75,949	70,835	1,671	899

Notes to and forming part of the segment information

(A) ACCOUNTING POLICIES

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, capitalised production and development costs, investments, distribution advances, inventories, property, plant and equipment and goodwill and other intangible assets,

net of any related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors, producers share payable, bills of exchange and employee entitlements.

(B) OTHER SEGMENTS

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's length" basis and are eliminated on consolidation.

(C) MAJOR CUSTOMERS

Included in total revenues is revenue from customers in excess of 10% of total revenue individually. Total revenues relating to these customers are \$33m (2015: \$19m) within the TV Production & Copyright and Film & Television distribution segments, \$18m (2015: \$9m) within the Home Entertainment segment and \$1.2m (2015: \$1.6m) within the Digital Marketing segment.



3. REVENUES AND EXPENSES

		CONSOLIDATED ENTITY	
		2016	2015
		\$000'S	\$000'S
(a)	Revenue and other income		
	Revenue		
	Sales revenue	98,947	90,973
	Royalty revenue	2,282	1,580
	Rental revenue	409	665
		101,638	93,218
	Other income		
	Realised/unrealised foreign currency translation gains (note 3(b))	-	509
	Management service fees	74	158
	External interest	86	184
	Gain on the sale of fixed assets	1	(1)
	Total revenue and other income	101,799	94,069
(b)	Profit / (loss) before tax includes the following:		
	Bad and doubtful debts		
	- Trade receivables written off / (recovered) during the period	(229)	66
	- Trade receivables movement in provision (note 7)	336	18
	Provision for non recovery of advances	498	1,096
	Projects in development written off	513	248
	Rental expense on operating leases		
	- Minimum lease payments	2,394	2,957
	Finance costs		
	- External	35	49
	Gain / (loss) on disposal of asset	(1)	1
	Depreciation and amortisation		
	- Tangible assets (note 11)	658	960
	- Intangible assets (note 12)	627	671
	- Other assets (note 9)	1,615	1,915
		2,900	3,546
	Foreign exchange loss / (gain)		
	Fair value decrease/(increase) in derivative financial instruments	(87)	87
	Other realised/unrealised foreign currency translation gains	581	(596)
		494	(509)
		2016	2015
		\$	\$
(c)	Auditors' Remuneration		
	Remuneration of the auditor of the parent entity and its controlled entities for:		
	- Audit or review of the financial report	323,000	307,000
	- Other assurance services	-	24,000
	- Tax compliance services	57,605	32,575
	Remuneration of network firms for:		
	- Tax compliance services	29,325	50,337
	Remuneration of other auditors of subsidiaries for:		
	- Audit or review of the financial report	60,355	55,416
	- Other assurance services	9,237	12,240
	- Tax compliance services	14,597	14,094

4. INCOME TAX EXPENSE

		CONSOLIDATED ENTITY	
		2016	2015
		\$000'S	\$000'S
(a)	The components of tax expense comprise:		
	Current income tax	762	525
	Deferred income tax	(490)	(612)
	Adjustments in respect of current income tax of previous years	15	215
	Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	287	128
(b)	The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
	Profit before income tax	5,604	6,013
	Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)		
		1,681	1,804
	Less:		
	Tax effect of:		
	- Other non-assessable/deductible items	(672)	(938)
		1,009	866
	Less:		
	Tax effect of:		
	- Adjustments in respect of current income tax of previous years	(43)	(122)
	- Withholding tax losses written off from prior years	-	337
	- Effect of lower tax rate on overseas income	(737)	(1,029)
	- Other	58	77
	Income tax expense	287	128
	The applicable weighted average effective tax rates are as follows:	5%	2%
(c)	Deferred Tax		
	Deferred tax liabilities		
	Distribution guarantees and unrecouped program expenses	(5,556)	(4,964)
	Capitalised production costs and other expenses	(1,406)	(1,698)
	Offset deferred tax liabilities against deferred tax assets	3,912	2,633
		(3,050)	(4,029)
	Deferred tax assets		
	Provisions and accruals	1,545	2,108
	Tax losses	2,681	1,329
	Offset deferred tax liabilities against deferred tax assets	(3,912)	(2,633)
		314	804
	Net deferred tax liabilities	(2,736)	(3,226)
	Movements:		
	Opening balance	(3,226)	(3,839)
	(Charged)/credited to profit or loss	490	613
	Closing balance	(2,736)	(3,226)

In accordance with the accounting policy in Note 1C, deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax liabilities for Beyond TV Properties Bermuda and Beyond Film Properties Bermuda totalling \$801,523 (2015: \$801,943) have not been recognised due to the existence of tax losses not brought to account.

Movement in deferred tax assets & deferred tax liabilities has gone through the Statement of Profit or Loss and Other Comprehensive Income.



4. INCOME TAX EXPENSE *(continued)*

		CONSOLIDATED ENTITY	
		2016	2015
		\$000'S	\$000'S
(d)	Liabilities		
	Current		
	Income tax	-	134
The above is a current provision for income tax payable by the parent and subsidiaries of the Consolidated Entity.			
(e)	Tax Consolidation		
Beyond International Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidated regime. Each entity in the group recognises its own current and deferred tax assets, except for any deferred tax assets resulting from unused tax losses and tax credits, which are immediately assumed by the head entity, being Beyond International Limited. The current tax liability for each group entity is then subsequently assumed by the parent entity.			
The tax consolidated group has entered into a tax funding arrangement whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income. Pursuant to the funding arrangement, transfers of tax losses or tax liabilities are assumed by the head entity through intercompany loans.			

5. EARNINGS PER SHARE

		CONSOLIDATED ENTITY	
		2016	2015
		CENTS PER SHARE	CENTS PER SHARE
Basic and diluted earnings per share:		8.67	9.59

The following reflects the income and share data used in the basic and diluted earnings per share computations

		CONSOLIDATED ENTITY	
		2016	2015
		\$000'S	\$000'S
Net profit attributable to ordinary equity holders (used in calculating basic earning and diluted per share)		5,317	5,885
Net profit attributable to ordinary equity holders (used in calculating diluted earning per share)		5,317	5,885

		Number	Number
Weighted average number of ordinary shares in calculating basic earnings and diluted per share		61,336,968	61,336,968

6. CASH FLOW INFORMATION

		CONSOLIDATED ENTITY	
		2016	2015
		\$000'S	\$000'S
Cash at bank and in hand		6,379	10,403
The average effective interest rate on cash at bank was 1.19% (2015: 1.62%)			
(a) Reconciliation of Cash			
For the purposes of the Statement of Cash Flows, cash and cash equivalent comprise the following at 30 June:			
Cash at bank and in hand		6,379	10,403
(b) Reconciliation of cash flows from operations with net profit after income tax			
Profit after income tax		5,317	5,885
Adjustment for non-cash flow in profit:			
Depreciation and amortisation		2,900	3,546
Impairment of assets		-	-
Net gain on sale of non-current assets		(1)	1
Share of Joint venture operation		404	560
Unrealised foreign exchange (gain)/loss		494	(509)
Changes in assets and liabilities, net of the effects of business acquisitions:			
(Increase)/decrease in trade and other receivables		(9,082)	(1,403)
Decrease/(increase) in inventory		187	374
(Increase)/decrease in other assets		(3,742)	(466)
Decrease/(increase) in deferred tax assets		489	12
Increase/(decrease) in trade and other creditors		(571)	1,431
Increase/(Decrease) in other financial liabilities		6,980	-
(Increase)/decrease in deferred income tax liability		(979)	(625)
Increase/(decrease) in other liabilities		1,245	(804)
Increase/(decrease) in provisions		1,485	134
Cash flow from operations		5,127	8,135



6. CASH FLOW INFORMATION *(continued)*

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
(c) Financing facilities available		
At reporting date, the following financing facilities had been negotiated and were available		
Secured multi option facility		
Used at reporting date *	579	625
Unused at reporting date	2,186	1,765
Total facility	2,765	2,390
* The amount of the facility used at reporting date is for bank guarantees on various building leases held by the Group		
The multi option facility may be drawn at any time and may be terminated by the bank on demand.		
The interest rate on the facility is the commercial base rate of 8.24% at 30 June 2016 (8.30% at 30 June 2015).		
The facility is secured by certain covenants on the Consolidated Entity that these financial conditions are met -		
a) That earnings before interest, tax, depreciation and amortisation will exceed 1 x total group facility		
b) Receivables must remain over \$8,000,000 at all times		
c) Minimum capital adequacy rate of 50%		
Secured credit card facilities		
Used at reporting date	122	-
Unused at reporting date	28	245
Total facility	150	245
Secured equipment loan facility		
Used at reporting date	-	-
Unused at reporting date	500	500
Total facility	500	500
The interest rate on the facility is determined on usage as at the time. As no facility is being used no rate is applicable.		
Amount of Assets Pledged as Security		
Fixed and floating charge over assets	75,949	70,835
Total assets pledged as security	75,949	70,835

7. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Current		
Trade receivables (i)	32,745	30,582
Provision for impairment of receivables	(357)	(21)
	32,388	30,561
	32,388	30,561
Non-current		
Trade receivables (i)	8,496	1,831
	8,496	1,831

(i) Credit terms for the Consolidated Entity's receivables vary between individual divisions. Distribution, Films and Productions debtors are generally due based on milestones achieved. Debtors within other divisions have credit terms ranging from 30 to 90 days. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, based on an assessment of individual debtors and the likelihood of recoverability. For Distribution & Films debtors, the Consolidated Entity provides fully for receivables over 360 days, with the exception of specific identifiable receivables which are still considered recoverable. Distribution and Film debtors consist largely of television networks, many of which are government owned, or are listed entities whose published annual reports indicate they continue to be credit-worthy.

Debtors within other divisions, including the Beyond D business unit, are provided for on a specific basis based on an assessment of recoverability. Home Entertainment debtors largely consist of multi-national retail chains, many of which are listed and whose published annual reports indicate they continue to be credit-worthy.

During the year a 100% owned special purpose entity, HL Beyond Limited, took out a limited recourse facility to fund production on the The White Rabbit Project. Trade receivables in relation to the transaction have been recognised as current or non current to reflect the payment schedule of licence fees by the commissioning broadcaster to the facility provider. The amount in current is \$3,049,000 (2015: \$0) and the amount in non current is \$3,931,000 (2015: \$0)

	CONSOLIDATED ENTITY			
	2016		2015	
	\$000'S		\$000'S	
Ageing of debtors	Gross	Provision	Gross	Provision
Not past due	17,999	-	28,126	-
Past due 0-90 days	10,721	-	2,877	-
Past due 91-180 days	6,788	-	227	(18)
Past due 180+ days	5,733	(357)	1,183	(3)
	41,241	(357)	32,413	(21)

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Reconciliation of provision for impairment of receivables		
Opening balance	(21)	(3)
Additional provision recognised	(435)	(24)
Utilised	100	6
Closing balance	(357)	(21)



8. INVENTORIES

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Current		
DVD Stock - raw material at cost	276	381
DVD Stock - finished goods at net realisable value	2,560	2,651
Stock footage - at cost	46	37
	2,882	3,069

9. OTHER ASSETS

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Current		
Capitalised development costs	2,055	1,659
Less: deferred revenue	(1,285)	(909)
	770	750
Distribution advances	14,012	9,756
Accumulated amortisation of distribution advances (i)	(11,380)	(8,247)
	2,632	1,509
Prepaid royalties	6,312	6,577
Capitalised production costs	5,695	6,119
Prepayments	1,045	778
	6,740	6,897
	16,454	15,732
Non-current		
Distribution advances	2,123	1,241
Accumulated amortisation of distribution advances (i)	(1,372)	(723)
	751	518

(i) Distribution advances and capitalised production costs are monitored on a title by title basis. The provision detailed above is included within the depreciation and amortisation expense disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

10. FINANCIAL ASSETS & FINANCIAL LIABILITIES

	NOTES	CONSOLIDATED ENTITY	
		2016	2015
		\$000'S	\$000'S
Available-for-sale financial assets		14	4
Derivative financial liabilities		(4)	(91)
		10	(87)
(a) Available-for-sale financial (non current)			
Listed investments:			
Shares - at fair value		14	4
(b) Derivative financial liabilities (current)			
Foreign currency forward contracts - at fair value	25	(4)	(91)

Fair value of financial instruments measured on a recurring basis

The financial instruments recognised and disclosed 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).

	CONSOLIDATED ENTITY			CONSOLIDATED ENTITY		
	2016			2015		
	LEVEL 1	LEVEL 2	TOTAL	LEVEL 1	LEVEL 2	TOTAL
	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S
Financial assets and financial liabilities:						
Available-for-sale financial assets:						
- listed investments	14	-	14	4	-	4
Financial liabilities at fair value through profit or loss:						
- derivative instruments	-	(4)	(4)	-	(91)	(91)
	14	(4)	10	4	(91)	(87)

During the 2016 financial period, the Consolidated Entity had nil value of Level 3 financial assets and financial liabilities (2015: nil).

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.

There has been no change in the valuation technique used in the current or previous reporting period.

Included within Level 2 of the hierarchy are derivatives not traded in an active market (foreign currency forward contracts). The fair values of these derivatives are determined using valuation techniques which uses only observable market data relevant to the hedged position.

There has been no change in the valuation technique used in the current or previous reporting period.

During the current and previous reporting periods, there were no transfers between levels.



10. FINANCIAL ASSETS & FINANCIAL LIABILITIES *(continued)*

Fair value of financial instruments not measured at fair value on a recurring basis

The following financial instruments are not measured at fair value in the statement of financial position. These had the following fair values:

	CONSOLIDATED ENTITY		CONSOLIDATED ENTITY	
	2016		2015	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	\$000'S	\$000'S	\$000'S	\$000'S
NON-CURRENT ASSETS				
Trade and other receivables	8,496	7,867	1,831	1,695
	8,496	7,867	1,831	1,695
NON-CURRENT LIABILITIES				
Other non-current liabilities	1,854	1,717	710	658
	1,854	1,717	710	658

The fair values of the trade and other receivables and other non-current liabilities above are included in the level 2 category and have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant input being a discount of 8% to determine fair value.

Due to their short-term nature, the carrying amounts of cash and cash equivalents, current trade and other receivables, current trade and other payables are assumed to approximate their fair value.

Refer to note 25 for further information on financial instruments.

11. PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED ENTITY		
	PLANT & EQUIPMENT	LEASED MV & EQUIPMENT	TOTAL
	\$000'S	\$000'S	\$000'S
Year ended 30 June 2016			
<i>Balance at 1 July 2015</i>	1,850	-	1,850
Additions	1,671	-	1,671
Disposal	(273)	-	(273)
Depreciation charge for the year	(658)	-	(658)
<i>Carrying amount at 30 June 2016</i>	2,590	-	2,590
As at 1 July 2015			
Cost	13,645	385	14,030
Accumulated depreciation and impairment	(11,795)	(385)	(12,180)
Net carrying amount	1,850	-	1,850
As at 30 June 2016			
Cost	9,503	385	9,888
Accumulated depreciation and impairment	(6,913)	(385)	(7,298)
Net carrying amount	2,590	-	2,590
Year ended 30 June 2015			
<i>Balance at 1 July 2014</i>	1,890	-	1,890
Additions	899	-	899
Disposal	(3)	-	(3)
Depreciation charge for the year	(960)	-	(960)
Exchange adjustment	24	-	24
<i>Carrying amount at 30 June 2015</i>	1,850	-	1,850
As at 1 July 2014			
Cost	12,739	385	13,124
Accumulated depreciation and impairment	(10,849)	(385)	(11,234)
Net carrying amount	1,890	-	1,890
As at 30 June 2015			
Cost	13,645	385	14,030
Accumulated depreciation and impairment	(11,795)	(385)	(12,180)
Net carrying amount	1,850	-	1,850



12. INTANGIBLE ASSETS

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Patents and Licenses - at cost	232	232
Less: Accumulated amortisation	(82)	(81)
	150	150
Websites and Databases - at cost	3,557	3,312
Less: Accumulated amortisation	(2,626)	(1,999)
	931	1,312
Goodwill - at cost	5,250	5,250
Accumulated amortisation and impairment	(650)	(650)
	4,600	4,600
	5,681	6,062

Reconciliations

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

	CONSOLIDATED ENTITY			
	GOODWILL	WEBSITES AND DATABASES	PATENTS AND LICENSES	TOTAL
	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2014	4,600	1,273	155	6,028
Additions	-	706	-	706
Amortisation expense	-	(666)	(5)	(671)
Balance at 30 June 2015	4,600	1,313	150	6,062
Additions	-	246	-	246
Amortisation expense	-	(627)	(0)	(627)
Balance at 30 June 2016	4,600	931	150	5,681

Intangible assets, other than goodwill, have finite useful lives. Patents and licenses have been assessed as having a finite life and are amortised using the straight line method over 20 years. Websites and Databases have been assessed as having a finite life of 4 years and are amortised using the straight line method. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Profit or Loss and Other Comprehensive Income. Goodwill is assessed as having an infinite life subject to an annual impairment review.

If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

12. INTANGIBLE ASSETS (continued)

Impairment Disclosure

There were no impairment losses recognised by the consolidated entity in respect of the current financial year (2015: nil).

The following assumptions were used in the value-in-use calculations:

	GROWTH RATE		DISCOUNT RATE	
	2016	2015	2016	2015
Beyond D business	0%	5%	15%	15%
All other businesses	5%	5%	10%	10%

Historical performance of the relevant businesses show the above growth rates to be reasonable.

Sensitivity - Digital Marketing Division

As disclosed in Note 1 (AF) the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill may vary in carrying amount. The sensitivities are as follows:

- If the growth rate decreased by up to 7% (i.e. from 0% to -7% or lower), with all other assumptions remaining constant, impairment of goodwill would still not be required.
- If the discount rate increased by more than 5% (i.e. from 15% to 20%), with all other assumptions remaining constant, impairment of goodwill would still not be required.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the digital marketing division goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment of the digital marketing division goodwill.

13. TRADE AND OTHER PAYABLES

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Current (unsecured)		
Trade payables (i)	3,625	3,364
Other creditors and accruals	1,071	2,661
	4,696	6,025

(i) Credit terms on trade payables vary between business units and range from 7 days to 90 days. Contractual maturities of trade and other payables have been disclosed in Note 25.



14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to the consolidated entity's joint venture is set out below:

	PRINCIPAL PLACE OF BUSINESS / COUNTRY OF INCORPORATION	OWNERSHIP INTEREST	
		2016	2015
NAME		%	%
7Beyond Media Rights Ltd	United States of America / Ireland	50%	50%
SUMMARISED FINANCIAL INFORMATION			
		7BEYOND MEDIA RIGHTS LTD	
		2016	2015
		\$000'S	\$000'S
<i>Summarised statement of financial position</i>			
Cash and cash equivalents		373	736
Other current assets		386	110
Non-current assets		400	179
Total assets		1,159	1,025
Current financial liabilities (excluding trade and other payables and provisions)		7	595
Other current liabilities		880	743
Non-current financial liabilities (excluding trade and other payables and provisions)		-	34
Total liabilities		887	1,372
Net assets		272	(347)
<i>Summarised statement of profit or loss and other comprehensive income</i>			
Revenue		2,195	1,086
Interest revenue		-	-
Other revenue		74	20
Production costs		(3,228)	(1,966)
Administration costs		(191)	(179)
Net foreign exchange gain /(loss)		92	(240)
Loss before income tax		(1,058)	(1,279)
Income tax benefit		249	160
Loss after income tax		(809)	(1,119)
Other comprehensive income		-	-
Total comprehensive income		(809)	(1,119)

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
<i>Reconciliation of the consolidated entity's carrying amount</i>		
Opening carrying amount	(176)	82
Funds advanced to joint venture	716	302
Share of loss after income tax	(404)	(560)
Closing carrying amount	136	(176)
The above amount has been accounted for in accordance with Note 1 (AH).		
<i>Contingent liabilities</i>		
There are no contingent liabilities provided for.	-	-
<i>Commitments</i>		
There are no outstanding commitments at reporting date.	-	-

15. EMPLOYEE BENEFITS

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Current		
Provision for annual leave and long service leave	3,538	2,902
	3,538	2,902
Non-current		
Provision for long service leave	340	588
	340	588
Total employee benefits	3,878	3,490
The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service. The entire amount of the annual leave provision is presented as current, since the consolidated entity does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.		
Annual leave obligations accounted for as current and expected to be settled after 12 months	550	481
	550	481

16. OTHER FINANCIAL LIABILITIES

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Current	3,049	-
Non-current	3,931	-
Total other financial liabilities	6,980	-
During the year a 100% owned special purpose entity, HL Beyond Limited, took out a limited recourse facility to fund production on The White Rabbit Project. The facility is secured by the intellectual property created by the production and there is no recourse or obligation to repay the facility against any other company in the Group. The liability and the corresponding receivable will be extinguished on either payment by the commissioning broadcaster to the facility provider, or if the commissioning broadcaster defaults on payment. The current value of the production facility is \$6,980,000 (2015: \$0)		



17. OTHER LIABILITIES

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Current		
Unsecured liabilities		
Deferred revenue	3,444	3,437
GST payable	312	97
Producer share payable	6,781	7,332
Other	141	-
	10,678	10,866
Non-current		
Unsecured liabilities		
Producer share payable	1,854	710
	1,854	710

18. ISSUED CAPITAL

(a) Share Capital	2016	2015
61,336,968 ordinary shares - fully paid (2015: 61,336,968)	33,991	33,867

The company has authorised capital amounting to 100,000,000 ordinary shares of no par value.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Share Options

On 1 May 1998 at an extraordinary general meeting shareholders approved the establishment of the Beyond Employee Share Option Plan.

Under the plan any options on issue are cancellable at the Directors discretion upon an option holder ceasing to be an employee.

(c) Employee Share Plan

On 21 April 2006, a total of 962,500 shares were issued under the employee plan to eligible employees and directors, and the company has entered into limited non-recourse loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules (refer note 23).

On 7 December 2009 and 11 March 2010, a total of 1,625,000 shares were issued under the employee plan to eligible employees and directors, and the company has entered into limited non-recourse loan agreements with participants to provide the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules (refer note 23).

19. RESERVES

Employee Share Plan Benefit Reserve

The employee share plan benefit reserve records items recognised as expenses on valuation of employee share options.

Investment Revaluation Reserve

The investment revaluation reserve records unrealised share price and foreign exchange gains and losses on the available-for-sale financial instruments in Note 10(a).

Foreign Currency Translation Reserve

The foreign currency translation reserve records the variance between converting the Statement of Financial Position at closing spot rate and the Statement of Profit or Loss and Other Comprehensive Income at average rate for Magna Home Entertainment NZ Limited and Beyond D (NZ) Limited which have a functional currency of New Zealand Dollars (NZD).

20. DIVIDENDS

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
Distributions paid		
Interim unfranked ordinary dividend of five cents per share totalling \$3,066,848 (2015: five cents)	3,067	3,067
On 30th August 2016, the directors declared a final partly franked dividend of five cents per share, totalling \$3,066,848 (2015: unfranked five cents per share totalling \$3,066,848).		
	3,067	3,067
Net franking credits available based on a tax rate of 30% (2015: 30%)	577	577

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- (a) franking credits that will arise from the payment of the current tax liability
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date
- (d) franking credits that may be prevented from being distributed in subsequent financial years

21. CONTINGENT ASSETS AND LIABILITIES

The consolidated entity had no contingent assets as at 30 June 2016 (2015: nil).

The consolidated entity has given bank guarantees as at 30 June 2016 of \$579,416 (2015: \$605,166) to various landlords.



22. COMMITMENTS

	CONSOLIDATED ENTITY	
	2016	2015
	\$000'S	\$000'S
(i) OPERATING LEASE PAYABLE COMMITMENTS		
Total lease expenditure contracted at reporting date but not recognised in the financial statements:		
Payable no later than one year	1,358	2,003
Payable later than one, not later than five years	1,867	2,568
Payable later than five years	-	-
	3,225	4,571
Operating lease commitments includes contracted amounts for various offices and plant and equipment under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.		
(ii) DISTRIBUTION GUARANTEE COMMITMENTS		
In the course of the Consolidated Entity's feature film, television and Home Entertainment businesses, commitments to pay distribution guarantees and advances of minimum proceeds from sales have been made to producers at reporting date but not recognised in the financial statements:		
Not later than one year		
Distribution Guarantee	1,254	1,477
Home Entertainment Advances	2,187	2,722
Later than one year but not later than five years		
Distribution Guarantee	163	301
Home Entertainment Advances	1,164	76
	4,768	4,576
The above commitments to pay distribution guarantees have been entered into in the normal course of business.		
(iii) OPERATING LEASE RECEIVABLE COMMITMENTS		
Total lease receipts contracted at reporting date but not recognised in the financial statements:		
Receivable no later than one year	-	477
	-	477
Operating lease commitment relates to the sub lease of part of the Brisbane office with a lease term of 20 months. The lease commenced in September 2013 and was not renewed.		

23. SHARE BASED PAYMENTS

General Employee Share Loan Plan

The Board has adopted an employee share plan under which employees and Directors of the Consolidated Entity may subscribe for shares in the Company using funds loaned to them by the Consolidated Entity. The Board has also adopted a share plan on substantially the same terms for consultants of the Consolidated Entity (Consultant Plan). The purpose of the Employee Plan is to:

- assist in the retention and motivation of employees and Directors of the Consolidated Entity by providing them with a greater opportunity to participate as shareholders in the success of the Consolidated Entity; and
- create a culture of share ownership amongst the employees of the Consolidated Entity.

There have been three issues of shares under the Employee Share plan as follows:

- On 12 April 2006, 962,500 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and its controlled entities. 600,000 of these shares remain redeemable at 30 June 2016.

- On 7 December 2009, 300,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and its controlled entities. 200,000 of these shares remain redeemable at 30 June 2016.

- On 11 March 2010, 1,325,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and its controlled entities. 760,000 of these shares remain redeemable at 30 June 2016.

In all cases the company entered into limited non-recourse loan agreements to provide participants the funds necessary to subscribe for those shares. Shares were issued in accordance with the Employee Plan rules.

The loans were made based on the greater of market value of the shares on allotment date and \$0.645 (Dec 09 - 2010 plan), \$0.75 (Mar 10 - 2010 plan) & \$0.60 (2006 plan). As the loans are non-recourse, the value of the loans are not recognised as an asset, and the corresponding share value is not recorded in equity. The total of the Plan Shares are included in Issued Capital at note 17(a).

Notwithstanding any other provision of the Plan, each Participant has a legal and beneficial interest in the Shares issued to him or her and is at all times absolutely entitled to those Plan Shares, except that any dealings with those Shares by the Participant may be restricted in accordance with the plan rules. Plan Shares rank equally with all existing Shares from the date of issue in respect of all rights issues, bonus issues, dividends and other distributions to, or entitlements of, holders of existing Shares where the record date for such corporate actions is after the relevant Plan Shares are issued. On termination, the Participant may elect to pay the loan or transfer all of their Plan Shares back to the Company, subject to requirements of the Corporations Act. If the Participant transfers the shares back to the Company, the Company may:

- transfer the Plan Shares for the issue price to a person nominated by the Company; or
- procure a broker to sell all or any of the Plan Shares on-market.

Share movements in the plan as follows:

	NUMBER OF SHARES	CHANGE IN EQUITY VALUE \$000'S
Outstanding at the beginning of year	1,760,000	
Redemption of shares under the employee share plan	(200,000)	125
Exercisable at year end	1,560,000	

The Plan Shares issued as part of the 2010 Plan required that Participants could only deal with the shares on a pro-rata basis for a 3 year period. During this period, the Company accounted for the Plan Shares as if they were options. The grant fair value of the shares was amortised across the vesting period as follows:

VESTING PERIOD	AMORTISATION \$
11 March 2010 to 30 June 2010	15,587
Financial year ending 30 June 2011	66,718
Financial year ending 30 June 2012	66,718
Financial year ending 30 June 2013	47,602



23. SHARE BASED PAYMENTS *(continued)*

The grant fair value of the 2010 plan was calculated by using the Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	\$0.75
Weighted average life of the option	3
Underlying share price	\$0.75
Expected share price volatility (i)	30%
Risk free interest rate	5.00%
Expected dividend rate	6.00%
Weighted average fair value price	\$0.10

(i) Expected share price volatility has been estimated based on the historical volatility of the Company's share price.

24. CONTROLLED ENTITIES

(a) Controlled entities consolidated

NAME OF ENTITY	COUNTRY OF FORMATION OR INCORPORATION	BEYOND INTERNATIONAL LIMITED DIRECT INTEREST IN ORDINARY SHARES	
		2016 %	2015 %
Ultimate parent entity			
Beyond International Limited	Australia		
Controlled entities of Beyond International Limited:			
Beyond Films Limited	Australia	100	100
Beyond Television Group Pty Ltd	Australia	100	100
Beyond Television Pty Ltd	Australia	26	26
Beyond Entertainment Pty Ltd	Australia	100	100
Beyond Simpson le Mesurier Pty Ltd	Australia	51	51
Liberty & Beyond Pty Ltd	Australia	51	51
Beyond Imagination Pty Ltd	Australia	51	51
Beyond Miall Kershaw Pty Ltd	Australia	51	51
Pacific & Beyond Pty Ltd	Australia	51	51
Beyond Screen Productions Pty Ltd	Australia	100	100
Beyond Home Entertainment Pty Ltd	Australia	100	100
Beyond Entertainment Holdings Limited	Ireland	100	100
Beyond D Pty Ltd	Australia	100	100
Beyond West Pty Ltd	Australia	100	100
Controlled entities of Beyond Entertainment Pty Ltd:			
Mullion Creek and Beyond (partnership)	Australia	51	51
Equus Film Productions Pty Ltd	Australia	51	51
BTVUS Pty Ltd	Australia	100	-
Controlled entities of Liberty & Beyond Pty Ltd:			
Liberty & Beyond Productions Pty Ltd	Australia	100	100

24. CONTROLLED ENTITIES *(continued)*

Controlled entities of Beyond Television Group Pty Ltd:			
Beyond Television Pty Ltd	Australia	74	74
Controlled entities of Beyond Television Pty Ltd:			
Beyond Properties Pty Ltd	Australia	100	100
Beyond Productions Pty Ltd	Australia	100	100
Beyond Distribution Pty Ltd	Australia	100	100
Controlled entities of Beyond Properties Pty Ltd:			
Beyond Pty Ltd	Australia	100	100
Beyond International Group Inc	USA	100	100
The Two Thousand Unit Trust*	Australia	100	100
*The corporate trustee of the trust is Beyond Properties Pty Ltd.			
Controlled entities of Beyond International Group Inc:			
Beyond Productions Inc	USA	100	100
Controlled entities of Beyond Simpson le Mesurier Pty Ltd:			
Beyond Simpson le Mesurier Productions Pty Ltd	Australia	100	100
BSLM Productions Pty Ltd	Australia	100	100
Something in the Air Pty Ltd	Australia	100	100
Something in the Air 2 Pty Ltd	Australia	100	100
Beagle Productions Pty Ltd	Australia	100	100
Stingers 3 Pty Ltd	Australia	100	100
Stingers 4 Pty Ltd	Australia	100	100
Stingers 5 Pty Ltd	Australia	100	100
Halifax 5 Pty Ltd	Australia	100	100
Halifax 6 Pty Ltd	Australia	100	100
Controlled entities of Beyond Entertainment Holdings Limited			
Beyond Entertainment Limited	Ireland	100	100
Beyond Rights Distribution Limited (formerly Beyond Films Limited)	Ireland	100	100
Controlled entity of Beyond Rights Distribution Limited			
HL Beyond Limited	Ireland	100	-
Controlled entities of Beyond Distribution Pty Limited			
Beyond TV Properties Bermuda	Bermuda	100	100



24. CONTROLLED ENTITIES *(continued)*

NAME OF ENTITY	COUNTRY OF FORMATION OR INCORPORATION	INTEREST IN ORDINARY SHARES	
		2016 %	2015 %
Controlled entities of Beyond Films Limited			
Beyond Film Properties Bermuda	Bermuda	100	100
Controlled entities of Beyond Home Entertainment Pty Limited			
Magna Home Entertainment Pty Ltd	Australia	100	100
Controlled entities of Magna Home Entertainment Pty Limited			
Magna Home Entertainment (NZ) Limited	New Zealand	100	100
Controlled entities of Beyond D Pty Ltd			
Beyond D (NZ) Ltd	New Zealand	100	100
Entity controlled jointly by Beyond TV Properties Bermuda and Beyond Films Properties Bermuda			
Beyond International Services Limited	United Kingdom	100	100
Controlled entities of BTVUS Pty Ltd			
B U.S.A. Holdings, Inc.	USA	100	100
Controlled entities of B U.S.A. Holdings, Inc			
Move It or List It, LLC	USA	100	100
11:11 US, LLC	USA	100	-

25. FINANCIAL INSTRUMENTS

(i) Capital Risk Management

The Consolidated Entity manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to stakeholders. The Consolidated Entity's strategy remains unchanged from 2015.

The capital structure of the group consists of cash and equity attributable to the equity holders of the parent entity, comprising issued capital, reserves and retained earnings. The Consolidated Entity operates globally, primarily through subsidiary companies established in the markets in which the group trades. The consolidated entity is subject to certain financing arrangements covenants and meeting these are given priority in all capital risk management decisions. For further details on events of default on these financing arrangements, refer to note 6(c).

Operating cash flows are used to make the routine outflows of tax and dividends.

(ii) Market Risk

The Consolidated Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer note 25 (iii)).

(iii) Foreign Currency Risk Management

The Consolidated Entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

Derivative financial instruments are used by the Consolidated Entity to hedge exposure to exchange rate risk associated with foreign currency trade receivables. Mark-to-market gains on derivative financial instruments used by the economic entity are recognised in the financial statements. Transactions for hedging purposes are undertaken without the use of collateral as only reputable institutions with sound financial positions are dealt with.

25. FINANCIAL INSTRUMENTS *(continued)*

Foreign currency sensitivity analysis

The Consolidated Entity is mainly exposed to US dollars (USD), Euro (EUR), Great British Pound (GBP) and New Zealand Dollars (NZD).

The carrying amount of the foreign currency denominated financial assets and liabilities at the reporting date is as follows:

CONSOLIDATED ENTITY	2016		2015	
	FINANCIAL ASSETS	FINANCIAL LIABILITIES	FINANCIAL ASSETS	FINANCIAL LIABILITIES
	\$000'S	\$000'S	\$000'S	\$000'S
US Dollars	11,466	54	10,314	93
Euro	1,979	(51)	1,837	55
Great British Pound	2,635	1	1,923	142
New Zealand Dollars	656	(170)	914	1,011
Other	186	(4)	102	30
	16,923	(170)	15,090	1,331

The following table details the Consolidated Entity's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. A sensitivity rate of 10% is considered reasonable based on exchange rate fluctuations over the past 12 months. The sensitivity analysis includes only outstanding foreign currency financial assets and liabilities and adjusts their translation at the period end for a 10% change in foreign currency rates.

CONSOLIDATED ENTITY	2016		2015	
	10% INCREASE	10% DECREASE	10% INCREASE	10% DECREASE
	\$000'S	\$000'S	\$000'S	\$000'S
Profit/(loss)	(1,517)	1,854	(980)	1,228
Other reserves	(1)	1	-	-
	(1,518)	1,856	(980)	1,228



25. FINANCIAL INSTRUMENTS *(continued)*

Forward foreign exchange contracts

It is the policy of the Consolidated Entity to enter into forward foreign exchange contracts to cover specific production foreign currency receipts.

The Consolidated Entity does not enter into derivative financial instruments for speculative purposes.

The following table details the forward foreign currency contracts outstanding as at the reporting date.

CONSOLIDATED ENTITY	AVERAGE EXCHANGE RATE	PRINCIPAL AMOUNT	AVERAGE EXCHANGE RATE	PRINCIPAL AMOUNT
	2016	2016	2015	2015
		\$000'S		\$000'S
Outstanding Contracts				
Sell USD				
Less than 3 months	0.7552	663	0.8130	1,300
3 to 6 months	0.7314	602	0.7954	520
Longer than 6 months	0.7297	201		-
		1,466		1,820
Gains or Losses from forward exchange contracts				
Unrealised gains		-		-
Unrealised losses		4		91
		4		91

(iv) Interest Rate Risk Management

The Consolidated Entity's exposure to interest rate risk is minimal. The group does not have significant borrowings in the current or prior periods. At 30 June 2016 there are no borrowings attached to variable interest rates.

The Consolidated Entity's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note, per below.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A sensitivity analysis of 50 basis points is considered reasonable based on interest rate fluctuations over the past 12 months.

At reporting date, if interest rates had been 50 points higher or lower and all other variables were held constant, net interest received from cash held by the Consolidated Entity would increase or decrease by \$36,095 (2015: \$39,536).

(v) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity management requirements. This framework is not formally documented. The Consolidated Entity manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows. Included in note 6(c) is a listing of additional undrawn facilities that the Consolidated Entity has at its disposal to further reduce liquidity risk.

25. FINANCIAL INSTRUMENTS *(continued)*

Liquidity and interest risk tables

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial liabilities.

CONSOLIDATED ENTITY	NOTES	AVERAGE INTEREST RATE %	LESS THAN 6 MONTHS	6 MONTHS TO 1 YEAR	1 TO 5 YEARS	5+ YEARS	TOTAL OUTFLOWS	CARRYING AMOUNT
			\$000'S	\$000'S	\$000'S	\$000'S	\$000'S	\$000'S
2016								
Financial liabilities								
Trade & other payables	13	-	4,696	-	-	-	4,696	4,696
Financial derivatives	10	-	4	-	-	-	4	4
Other financial liabilities	16	-	1,525	1,525	3,931	-	6,980	6,980
Producer share payable	17	-	3,391	3,391	1,854	-	8,635	8,635
Other payables	17	-	453	-	-	-	453	453
Total financial liabilities			10,068	4,915	5,785	-	20,769	20,769
2015								
Financial liabilities								
Trade & other payables	13	-	6,025	-	-	-	6,025	6,025
Financial derivatives	10	-	91	-	-	-	91	91
Other financial liabilities	16	-	-	-	-	-	-	-
Producer share payable	17	-	3,666	3,666	710	-	8,041	8,041
Other payables	17	-	97	-	-	-	97	97
Total financial liabilities			9,880	3,666	710	-	14,255	14,255

(vi) Credit Risk Exposures

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. This information is supplied by credit rating agencies and, if not available, the Consolidated Entity uses publicly available financial information to assess the credit-worthiness.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing reviews are conducted of accounts receivable balances. The Consolidated Entity does not have significant credit risk exposure to any single counterparty. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The credit risk on financial assets of the Consolidated Entity which are recognised on the Statement of Financial Position is generally the carrying amount, net of any provisions for doubtful debts.

(vii) Price Risk

The Consolidated Entity is marginally exposed to equity price risk arising from the equity investments classified as available-for-sale assets in Note 10(a). Equity investments are held for strategic rather than trading purposes. The Consolidated Entity does not actively trade in this investment.

(viii) Equity price sensitivity analysis

At the reporting date, any reasonable change in the price of the equity instrument would have been immaterial to the consolidated entity's financial position.



25. FINANCIAL INSTRUMENTS *(continued)*

(ix) Net Fair Value of Financial Instruments

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying values. A discount rate of 8% (2015: 8%) has been applied to all non-current receivables & borrowings to determine fair value.

The net fair value of other monetary financial assets and liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

For forward exchange contracts the net fair value is taken to be the unrealised gain or loss as at the date of the report calculated by reference to the current forward rates for similar contracts.

	CARRYING AMOUNT		NET FAIR VALUE	
	2016	2015	2016	2015
	\$000'S	\$000'S	\$000'S	\$000'S
Financial assets				
Cash and cash equivalents	6,379	10,402	6,379	10,401
Loans and receivables	40,884	32,392	40,255	32,257
Available for sale	14	4	14	4
	47,277	42,798	46,648	42,662
Financial liabilities, at amortised cost				
Trade and other payables	4,696	6,025	4,696	6,025
Other payables	453	97	453	97
Financial derivatives	4	91	4	91
Producer share payable	8,635	8,042	8,498	7,990
	13,788	14,256	13,651	14,204

26. KEY MANAGEMENT PERSONNEL COMPENSATION

Directors

The following persons were directors of Beyond International Limited during the financial year:

Chairman

Ian Ingram

Executive directors

Mikael Borglund – Managing Director

Non-executive directors

Anthony Lee

Ian Robertson

Executives (other than directors) with the greatest authority for strategic direction and management

The following persons were the seven executives with the greatest authority for the strategic directions and management of the Consolidated Entity (“specified executives”) during the financial year.

Name	Position	Employer
J Luscombe	General Manager – Productions & Executive Vice President	Beyond Television Group Pty Limited
T McGee	General Manager – Business Development	Beyond Television Group Pty Limited
M Murphy	General Manager – Distribution	Beyond Entertainment Limited
P Wylie	General Manager – Finance & Company Secretary	Beyond Television Group Pty Limited
P Tehan	General Manager – Legal & Business Affairs	Beyond Television Group Pty Limited
P Maddison	General Manager – Home Entertainment	Beyond Home Entertainment Pty Limited
J Ward	General Manager – Beyond D	Beyond D Pty Limited

Information on key management personnel compensation is disclosed below and in the Directors' Report.

(ii) REMUNERATION

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	CONSOLIDATED ENTITY	
	2016	2015
	\$	\$
Short-term employee benefits	3,601,337	3,767,639
Post-employment benefits	158,115	141,893
Long-term benefits	112,440	85,910
	3,871,892	3,995,442



26. KEY MANAGEMENT PERSONNEL COMPENSATION *(continued)*

(iii) SHAREHOLDINGS

Number of Shares held by Directors and Specified Executives, including their personally related parties

PARENT ENTITY DIRECTORS	2016				
	BALANCE 1.07.15	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.16
M Borglund	3,150,949	-	-	-	3,150,949
I Ingram	17,452,571	-	-	1,836,317	19,288,888
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	26,188,517	-	-	1,836,317	28,024,834

SPECIFIED EXECUTIVES	2016				
	BALANCE 1.07.15	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.16
J Luscombe	273,478	-	-	-	273,478
T McGee	75,000	-	-	-	75,000
P Wylie	2,000	-	-	-	2,000
P Tehan	75,000	-	-	-	75,000
P Maddison	-	-	-	-	-
M Murphy	-	-	-	-	-
J Ward	-	-	-	-	-
Total	425,478	-	-	-	425,478

PARENT ENTITY DIRECTORS	2015				
	BALANCE 1.07.14	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.15
M Borglund	3,150,949	-	-	-	3,150,949
I Ingram	16,176,716	-	-	1,275,855	17,452,571
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	24,912,662	-	-	1,275,855	26,188,517

SPECIFIED EXECUTIVES	2015				
	BALANCE 1.07.14	RECEIVED AS REMUNERATION	OPTIONS EXERCISED	NET CHANGE OTHER *	BALANCE 30.6.15
J Luscombe	273,478	-	-	-	273,478
T McGee	75,000	-	-	-	75,000
P Wylie	2,000	-	-	-	2,000
P Tehan	75,000	-	-	-	75,000
P Maddison	50,000	-	-	(50,000)	-
M Murphy	-	-	-	-	-
J Ward	-	-	-	-	-
Total	475,478	-	-	(50,000)	425,478

* Net Change Other refers to shares purchased or sold during the financial year.

27. RELATED PARTIES

(i) CONTROLLING ENTITIES

Beyond International Limited is the ultimate parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities which are disclosed in note 24.

(ii) KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 26 and the remuneration report in the directors' report.

Loans to key management personnel

There were no outstanding loans as at 30 June 2016 or at any point during the year (2015: nil).

Equity transactions with directors and their director-related entities

The aggregate number of equity instruments acquired or disposed of by directors of the Consolidated Entity and their director-related entities during the year were:

	CONSOLIDATED ENTITY		
		2016	2015
		NUMBER	
Acquisitions	Ordinary shares	1,836,317	1,275,855
Disposals	Ordinary shares	-	-
The aggregate number of equity instruments held by directors of the Consolidated Entity and their director-related entities at balance date were:			
<i>Issuing entity</i>	<i>Class of equity instruments</i>	NUMBER	
Beyond International Limited	Ordinary shares	28,024,834	26,188,517
	Options over ordinary shares	-	-



27. RELATED PARTIES *(continued)*

(iii) TRANSACTIONS WITH ENTITIES IN THE WHOLLY-OWNED GROUP

Beyond International Limited is the ultimate parent entity in the wholly-owned group comprising the Company and its wholly-owned controlled entities. The Company advanced and repaid loans, received loans, provided management services, received dividends and charged rent to other entities in the wholly-owned group during the current and previous financial years. With the exception of loans advanced free of interest to wholly-owned subsidiaries, these transactions were on commercial terms and conditions. Such loans are repayable on demand.

(iv) TRANSACTIONS WITH OTHER RELATED PARTIES

CONSOLIDATED ENTITY			
		2016	2015
		\$	\$
The aggregate amounts recognised in respect of the following types of transactions and each class of related party involved were:			
Transaction type	Class of other related party		
Legal services (Holding Redlich)	Associates	53,636	52,833

The above transactions were made on commercial terms and conditions, at market rates.

J Luscombe is a director of Ryzara Pty Ltd. The company has received payments for services rendered by J Luscombe during the year. These fees are included as part of the Executive Remuneration disclosed in Note 26 and the Directors Report.

Beyond Entertainment Limited, a subsidiary of the parent company, holds 50% of the shares in 7Beyond Media Rights Limited (refer to note 14). At 30 June 2016 Beyond Entertainment Limited

had an asset of \$136,000 (2015: liability \$176,415) owed by 7Beyond Media Rights Limited. This asset relates to funding provided for operating costs in 7Beyond Media Rights Limited and has been disclosed in Note 14. Beyond Productions Inc, another subsidiary of the parent company, had an amount of \$523,286 (2015: payable of \$510,638) owing from 7Beyond Media Rights Limited at 30 June 2016. This amount relates to production services provided by Beyond Productions Inc on behalf of 7Beyond Media Rights Limited and has been included in Receivables (Note 7). Media Rights Limited a management fee of \$73,938 (2015: \$158,331) for the provision of accounting and administration services. The management fee has been disclosed as Other income in Note 3(a).

(v) TRANSACTIONS WITHIN THE WHOLLY OWNED GROUP

Due to the nature of the operations of the Consolidated Entity, normal operating transactions take place between subsidiaries within the group. These are all at arms length and are eliminated on consolidation.

28. PARENT ENTITY

The following information relates to the parent entity Beyond International Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 1.

	PARENT ENTITY	
	2016	2015
	\$000'S	\$000'S
Statement of financial position		
Current assets	22,612	10,567
Non-current assets	10,036	9,953
Total assets	32,648	20,520
Current liabilities	631	497
Non-current liabilities	16,407	-
Total liabilities	17,038	497
Contributed equity	33,991	33,867
Reserves	341	341
Accumulated losses	(18,722)	(14,185)
Total equity	15,610	20,023
Profit for the year	1,596	6,187
Other comprehensive income	-	-
Total comprehensive income for the year	1,596	6,187
Contingent Assets and Liabilities		
The parent entity has given a bank guarantee as at 30 June 2016 of \$579,416 (2015: \$579,416) to its landlord.		
Capital Commitments - Operating Lease Commitments		
Total lease expenditure contracted at reporting date but not recognised in the financial statements:		
Payable no later than one year	695	671
Payable later than one, not later than five years	718	1,413
Payable later than five years	-	-
	1,413	2,084

29. SUBSEQUENT EVENTS

(i) DIVIDEND

Final dividend declared as detailed in Note 20. With the exception of the dividends, there are no subsequent events to disclose.

30. COMPANY DETAILS

The registered office & principal place of business of the company is:

Beyond International Limited
109 Reserve Road
Artarmon, NSW 2064
Australia



BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- The directors have been given the declarations required by Section 295A of the Corporations Act 2001.

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

On behalf of the directors

Mikael Borglund
Managing Director
30 September 2016
Sydney



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Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Beyond International Limited

Report on the Financial Report

We have audited the accompanying financial report of Beyond International Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(A), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Beyond International Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Beyond International Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(A).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Beyond International Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership


 John Bresolin
 Partner

Sydney, 30 September 2016

RANK	HOLDER	UNITS	% OF ISSUED CAPITAL
1	FREMANTLEMEDIA OVERSEAS LIMITED	11,948,422	19.48%
2	SEALION MEDIA LIMITED	9,523,888	15.53%
3	WINCHESTER INVESTMENTS GROUP PTY LIMITED	7,100,000	11.58%
4	NATIONAL NOMINEES LIMITED	5,350,592	8.72%
5	MR IAN INGRAM	2,678,673	4.37%
6	WILVESTOR LIMITED	2,531,111	4.13%
7	WILGRIST NOMINEES LIMITED	2,416,224	3.94%
8	MS YUN CHUN MARIE CHRISTINE LEE	2,228,044	3.63%
9	AXPHON PTY LIMITED	2,121,083	3.46%
10	DRESDNER FAMILY SUPERANNUATION FUND	1,675,000	2.73%
11	NOMITOR LIMITED	1,581,751	2.58%
12	ALLAN DALE HOLDINGS PTY LTD	1,220,000	1.99%
13	MR MIKAEL JOHN BORGLUND	1,011,770	1.57%
14	PEARL FINANCE LIMITED	961,910	1.32%
15	SOURCE INCORPORATED	559,016	0.91%
16	DIXSON TRUST PTY LIMITED	546,820	0.89%
17	MS IRENE YUN LIEN LEE	425,990	0.69%
18	DEBOURS PTY LIMITED	419,031	0.68%
19	A & C GAL INVESTMENTS PTY LTD	341,000	0.56%
20	G CHAN PENSION PTY LTD	293,644	0.48%
Totals: Top 20 holders of ISSUED CAPITAL		54,933,969	89.56%
Total Remaining Holders Balance		6,402,999	10.44%

DISTRIBUTION OF EQUITY SECURITIES

RANGE	TOTAL HOLDERS
1 - 1,000	230
1,001 TO 5,000	221
5,001 TO 10,000	85
10,001 - 100,000	126
100,001 - 9,999,999,999	27
Total	689

There were 141 holders of less than a marketable parcel of shares.



Love It Or List It Vancouver

DIRECTORS

Ian Ingram
Chairman of Directors
109 Reserve Road
Artarmon NSW 2064

Mikael Borglund
Managing Director
109 Reserve Road
Artarmon NSW 2064

Anthony Lee
Non-Executive Director
109 Reserve Road
Artarmon NSW 2064

Ian Robertson
Non-Executive Director
109 Reserve Road
Artarmon NSW 2064

OFFICERS

Mikael Borglund
Chief Executive Officer

Paul Wylie
Company Secretary

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Bank of Ireland
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Holding Redlich
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SHARE REGISTRY

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