Appendix 4E

Final Report

For the Year Ended 30 June 2019

Beyond International Limited

ACN 003 174 409

This final report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period:	Financial year ended 30 June 2019
Previous Corresponding Period:	Financial year ended 30 June 2018

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

Appendix 4E

Final Report

Name of Entity	BEYOND INTERNATIONAL LIMITED
ABN	65 003 174 409
Financial Year Ended	30 JUNE 2019
Previous Corresponding Reporting Period	30 JUNE 2018

Results for Announcement to the Market

	$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	83,014	Down 0.2%
Loss from ordinary activities after tax attributable to members	(2,645)	NMF*
Net loss for the period attributable to members	(2,645)	NMF

Dividends (distributions)	Amount per security	Franked amount per security
Interim Dividend Final Dividend	0.00 cents per share 0.00 cents per share	NIL NIL
Previous corresponding period Interim Dividend Final Dividend	 0.00 cents per share 0.00 cents per share	 NIL NIL

Record date for determining entitlements to the dividends (if any)	N/A

Brief explanation of any of the figures reported above necessary to enable the figures to be understood: Refer to release

- NMF – Not a meaningful figure

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

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	38.3 cents	42.7 cents

Associates or Joint Ventures

7Beyond Media Rights Ltd	49.02% JV with Seven Network (Operations) Ltd
Melodia Limited	33.33%
Melodia (Australia) Pty Ltd	33.33%
GB Media, Inc	10%

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

Beyond International Ltd releases full year financial results for the year ended 30 June 2019

	JUNE 2019 $,000	JUNE 2018 $,000	Variance - Fav/(Unfav) $,000	%
Operating Revenue	83,014	83,156	(142)	(0.2%)
Expenses	(78,222)	(76,021)	(2,201)	(2.9%)
EBITDA	**4,792**	**7,135**	**(2,343)**	**(32.8%)**
Depreciation and Amortisation	(6,185)	(6,781)	596	8.8%
EBIT	**(1,393)**	**354**	**(1,747)**	**NMF**
Net Interest Expense	(580)	(241)	(339)	(140.7%)
(Loss)/Profit Before Tax	**(1,973)**	**114**	**(2,087)**	**NMF**
Tax Expense	(637)	(1,287)	650	50.5%
(Loss)/Profit After Tax	**(2,610)**	**(1,173)**	**(1,437)**	**(122.5%)**
Minority Interests	**(35)**	466	(501)	(107.5%)
(Loss)/Profit After Tax attributable to members	**(2,645)**	**(707)**	**(1,938)**	**(274.2%)**
Additional Information				
EPS (cents per share)	**(4.31)**	**(1.15)**	**(3.16)**	**(274.0%)**
Dividends per Share (cents)	-	-	-	-
NTA (cents per share)	**38.3**	**42.67**	**(4.3)**	**(10.1%)**

Key Points

- Operating revenue down by $142,000 to $83,014,000 from $83,156,000;
- EBITDA declined by $2,343,000 to $4,792,000, within guidance;
- EBIT declined by $1,747,000 to a loss of $1,393,000, within guidance;
- Net loss after tax and before outside equity interests of $2,610,000, a decline of $1,437,000;
- Cash flows from operating activities of $1,899,000 (2018: $6,206,000);
- Loan repayments of $1,770,000 were made in the 2019 financial year;
- Cash at bank as at 30 June 2019 was $5,172,000; and
- The Company had no bank debt as at 30 June 2019.

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

Overview of results

The Beyond Group reports a loss after income tax but before minority interests of $2,610,000 on total revenue of $83,014,000. This compares to the loss after income tax but before minority interests of $1,173,000 for the prior corresponding period. Revenues were marginally down $142,000 or 0.2% compared to the 2018 financial year.

EBITDA for the 2019 financial year was $4,792,000, down 32.8% or $2,343,000 on the prior corresponding period, while EBIT was negative $1,393,000 compared to a positive EBIT in the 2018 financial year of $354,000. Note that with the adoption of AASB 16 – Leases, operating lease costs no longer form part of EBITDA. If the accounting standard had not been operational, EBITDA for the 2019 financial year would have been $2,539,000.

The decline in EBITDA was mainly a result of lower copyright revenues, lower margins on an increased production slate of 7Beyond titles and a continued decline in the trading conditions for Home Entertainment.

Tabled below are the results for each operating division.

	30 Jun 2019 $,000	30 Jun 2018 $,000	Variance $,000	Variance %
Revenue				
Productions & Copyright	45,541	39,223	6,319	16.1%
Distribution	21,206	23,584	(2,378)	(10.1%)
Home Entertainment	7,515	10,241	(2,725)	(26.6%)
Digital Marketing	8,394	9,481	(1,087)	(11.5%)
Other Revenue	357	628	(271)	(43.1%)
Total Revenue	**83,014**	**83,156**	**(142)**	**(0.2%)**
Operating EBITDA:				
Productions & Copyright	5,179	8,689	(3,509)	(40.4%)
7Beyond Joint Venture	1,105	10	1,095	NMF
Distribution	2,237	2,191	46	2.1%
Home Entertainment	665	1,600	(935)	(58.5%)
Digital Marketing	747	422	325	77.1%
Corporate	(5,440)	(5,612)	172	3.1%
Foreign Exchange (Loss) / Gain	300	(164)	464	NMF
Operating EBITDA	**4,792**	**7,135**	**(2,343)**	**(32.8%)**
Operating EBIT:				
Productions & Copyright	3,821	5,964	(2,143)	(35.9%)
7Beyond Joint Venture	1,105	10	1,095	NMF
Distribution	1,620	1,522	98	6.5%
Home Entertainment	(2,026)	(1,331)	(695)	(52.2%)
Digital Marketing	486	298	188	62.9%
Corporate	(6,698)	(5,944)	(754)	(12.7%)
Foreign Exchange (Loss) / Gain	300	(164)	464	NMF
Operating EBIT	**(1,393)**	**354**	**(1,747)**	**NMF**

1. Television Productions and Copyright Segment

Segment revenue increased by $6.3 million or 16.1% to $45.5 million compared to the prior year. The increase in revenue has been driven by growth in production commissions for 7Beyond, with revenues $4.1 million higher than in the 2018 financial year. Key programs produced by 7Beyond in the year were My Lottery Dream Home for HGTV and Gingerbread Holiday Showdown for Food Network. Internal production revenues grew by $2.2 million, with returning series of Selling Houses Australia and Love It Or List It Australia for Foxtel Australia and Deadly Women for Discovery ID. New series commissioned include Curse of Akakor for Facebook Watch, Mythbusters Junior for Discovery Science and the commencement of production on the scripted series Halifax Retribution for the Nine Network.

The increase in production revenues was partially offset by lower copyright revenues of $1.5 million compared to the prior corresponding period. The lack of a new series of Mythbusters in the 2019 financial year adversely affected copyright revenue compared to the 2018 financial year.

The segment EBIT of $4.9 million, including 7Beyond, was 17.5% or $1.1 million lower than the $6.0 million reported in the 2018 financial year. The reduction in margin is due to the lower revenue from Copyright and lower margins received by Beyond from producing 7Beyond programs. 7Beyond Media Rights Limited, 49.02% owned by Beyond, retains the majority of the production fees generated by these productions. Beyond then brings to account only its share of the 7Beyond Media Rights profits.

During the 2019 financial year, 149 hours of television commenced production. This included 53 hours commissioned by US broadcasters. While overall, hours of production declined from 164 hours in the 2018 financial year, the number of hours produced for the US increased by 36% year on year.

The Company has continued to focus program development on the emerging digital platforms such as Netflix, Facebook and Amazon. To date Beyond has produced or co-produced over 67 half hours of original animation and eight hours of factual programming with Netflix. We have also produced 3 hours of Curse of Akakor, a series commissioned by Facebook Watch, launched worldwide in August 2019.

Beyond has continued to produce programs for a number of USA based broadcasters including Discovery Science, HGTV, Discovery ID, Velocity, Travel Channel, The Food Network and FUSE. Programs commissioned by the US broadcast market in 2019 included returning series of Deadly Women, now in its 13th season, with the premiere episode of this series achieving the highest audience ratings by the programme to date, and My Lottery Dream Home series 5, 6 and 7. New series produced in 2019 include Mythbusters Junior, Holiday Gingerbread Showdown series 1 and 2, Gingerbread Giants and Eye Poppin Pies.

The popularity of Selling Houses Australia continues, with season 13 commissioned by Foxtel, together with a third season of Love It Or List It Australia. Other Australian program commissions produced during the period included the 2019 Santos Tour Down Under, Backburning – a documentary on Midnight Oil, the animated series Dumbotz for the Nine Network, Gfinity eSports series for the digital platform Twitch and the 2019 Cape Fear surfing event for Red Bull.

The strategic focus for the coming 12 months continues to be:

- targeting buyers who co-produce rather than fully commission programs;
- strengthening relationships with "new media" outlets, including SVOD and social media platforms;

- capitalising 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.

Both Beyond and 7Beyond have a substantial forward order book and a deep slate of projects in development and are actively working with US and international broadcasters and digital platforms to develop and produce new programs for the world market.

2. Distribution TV and Film Segment

Revenue decreased by $2.4 million or 10.1% to $21.2 million compared to the corresponding 2018 period. EBIT increased by 6.5% over the corresponding 2018 period to $1.6 million. The reduction in revenues was due to delays in a new series of Mythbusters being commissioned. The improved margin was due to the mix of sales commissions earned on titles sold during the year.

During the year significant sales for third party productions were achieved for existing franchises of Highway Thru Hell, Love It or List It, Chasing Monsters and Heavy Rescue 401. Mythbusters and Deadly Women from Beyond Productions continue to perform well.

The share of revenue by third party produced programs increased in 2019 compared to 2018, with externally produced shows generating 78% of distribution sales against 64% in 2018.

New releases acquired for the 2020 financial year include a continuing expansion of the Love It Or List It program franchise, new series of Highway Thru Hell, Heavy Rescue: 401 and Chasing Monsters. Halifax Retribution will also be released internationally in Q1 2020.

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.

The client base has expanded during the past two years with the digital platforms (SVOD and AVOD) such as You Tube rapidly becoming key customers for the Company's products.

3. Home Entertainment Segment (BHE)

Revenue decreased by 26.6% to $7.5 million compared to $10.2 million in the corresponding 2018 period. The decline in revenue is due to Discovery Communications withdrawing from the physical media market worldwide, coupled with the decline in the physical media market (DVD) in Australia. The total physical media market contracted 22% during the period under review. The physical media market in Australia is forecast to continue to decline in the range of 15% – 20% in the next few years, internationally the physical media market declined 14% in 2019.

BHE's total market share of the Australian market in fiscal 2019 was 2.7%, down from 3.1% in the prior corresponding period. BHE sold 571k units of content to end-consumers in fiscal 2019 and increased the average wholesale price by 7%.

BHE recorded an operating loss of $2 million for the twelve-months ending 30 June 2019 (2018: loss of $1.3 million). Due to the contraction of the physical media market, BHE continues to accelerate the non-cash depreciation and amortisation of BHE's program assets and continues to accelerate cost saving measures. Depreciation and amortisation expense in fiscal 2019 were $2.6

million (2018: $2.9 million). Product content assets that BHE has in prior periods invested in are generating future revenues and importantly free-cash reserves for the Beyond Group.

In the period under review, BHE established a direct trading agreement with Amazon Australia to complement BHE's existing customer base. BHE renewed content agreements with A+E Networks, Pokémon and the Australian Football League.

To complement BHE's existing portfolio of content, BHE in fiscal 2020 will launch the following event level programming:

- The 2019 AFL Grand Final; and
- Knightfall: Season Two.

4. Digital Marketing Segment (BeyondD)

The operating EBIT result for the 12 months ended 30 June 2019 was an improvement of $0.2 million with a profit of $0.5 million against a profit of $0.3 million for the corresponding prior period. Revenues declined by $1.1 million year on year, however margins on sales improved significantly.

Full year revenues for Beyond D were $8.4 million, 11.5% down on last year's total of $9.5 million. The reduction was due the close of the 3Di business at the end of the 2017 financial year.

The year involved a strong focus on the growing AI Voice side of the business. Beyond D continued its engagement with major brands including Coles, Woolmark, Suncorp and Dymocks. In addition, Beyond D were asked to present at several international conferences in the USA, enabling it to secure our first overseas voice client - Coldwell Banker. On the awards front Beyond D won the live marketing pitch at Australia's premier marketing conference - Mumbrella 360. Throughout the year Beyond D was able to continue its strong relationship with Google giving it first access to new beta releases of Google product ahead of the market.

In addition to the new voice AI, Beyond D continues to be the leader in search and conversion consulting in the New Zealand market. The highlight win from New Zealand was the Auckland Airport online marketing pitch, won in a very competitive process. Finally, Beyond D continues to produce quality large scale digital assets for its existing client base in Australia especially the Greenstone Group of companies, Bank of Queensland, Laser Sight and Blue Mountains City Council.

Foreign Exchange – Impact on Results

The Group has significant exposure to foreign exchange fluctuations in the television production and distribution operating segments with approximately 61% of Group revenues derived from outside Australia.

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 continuing to decline against the major currencies.

The total foreign exchange gain for FY2019 is $300,000 (2018: loss of $164,000). This gain is allocated to the operating segments as follows:

		Jun-19	Jun-18	Movement	
Item	**Segment**	**$**	**$**	**$**	**%**
Realised gain / (loss)	Distribution / TV	25,324	(69,783)	95,107	136%
Unrealised gain / (loss)	Distribution / TV	(4,488)	119,711	(124,200)	104%
Realised (loss)/gain	Production	(38,149)	(87,980)	49,831	57%
Unrealised gain / (loss)	Production	30,425	50,603	(20,178)	40%
Realised gain / (loss)	Other	139,274	(31,799)	171,073	538%
Unrealised gain / (loss)	Other	147,119	(145,044)	292,163	201%
Total FX Gain/(loss)		299,505	(164,292)	463,797	(282%)

Dividend

The Directors have determined that there will be no final dividend for the 2019 financial year.

Conclusion

Beyond's financial performance for the 2019 year is disappointing although primarily caused by the loss reported by the Home Entertainment division The decline in the Home Entertainment market materially impacted the Group's 2019 reported profit result, however that business continues to generate a positive cash flow for the Group and is expected to have less of a negative impact on Group results in 2020.

Beyond D is showing improved financial results and contributing positively to the Group.

Going forward the Company is focused on growing the key operating business units within the Group – being content production and international content distribution. During the 2019 financial year the third series of the animated series Beat Bugs and the first and second series of the animated series Motown Magic were delivered to Netflix and the Seven Network. These programs will be marketed by Beyond Distribution to international distribution platforms and broadcasters in the 2020 and 2021 financial years.

The Company is also producing scripted content for the local and international market. In July 2019 Beyond Lone Hand commenced production of the eight-part miniseries Halifax Retribution. This production will screen in Australia on the Nine Network in 2020 and will be sold internationally by Beyond Distribution in 2020 and 2021. The Company has a number of scripted projects in development with local and international showrunners and expects this business to grow over the next few years.

The Company considers intellectual property (IP) rights retention to be a key component of our long-term content business model. To date Beyond has been successful in retaining IP rights to key program properties by securing the underlying IP and the international distribution rights when the program is commissioned by a broadcaster or platform. The intra group collaboration between the production units and the international sales division is important when negotiating with platforms to retain these rights. Going forward by retaining these rights the programs produced by the Group continue to contribute financially and strategically to both the Distribution division and the Production/Copyright divisions as the rights are exploited over many years.

In recent times, social media platforms entered the content streaming market and the Company produced a series called Curse of Akakor for Facebook Watch, which launched worldwide in August 2019. The revenues the Company generates from advertising video on demand (AVOD) platforms such as YouTube have also continued to grow over the past few years and are becoming of increasing importance to the revenue mix of the Company.

The IP strategy is of growing importance as new internet distribution platforms (SVOD and AVOD) are launched. Some of the existing and new platforms will not be able to commission all of the content required for their platforms and will need to license finished programs from distributors and producers such as Beyond. Whilst some of the larger SVOD platforms have international distribution – there are a number of SVOD platforms that only cover one region or one country – for example Stan in Australia. These local or regional platforms rely heavily on licensing completed programs from distribution companies to fill their program offerings.

Beyond is in a good position to participate and benefit from the fast-changing developments in content creation and distribution worldwide through our long-standing reputation as a reliable producer and distributor of media content and our international focus in the core business.

Mikael Borglund
CEO & Managing Director
30 August 2019

About Beyond

Beyond International Limited (ASX: BYI) is a leading international producer and distributor of television and digital content and is one of the largest independent distributors of home entertainment product in Australia. The Company is headquartered in Sydney and listed on the Australian Securities Exchange.

Beyond has produced over five thousand hours of television programs for broadcast internationally including Mythbusters, Love It Or List It Australia, Selling Houses Australia, Deadly Women and White Rabbit Project. The company has production offices in Sydney, Perth, San Francisco, and Los Angeles and produces programs for Australian, US and International broadcasters.

Beyond's international distribution business markets an extensive program catalogue sourced from third party producers and internal production. This business unit is headquartered in Dublin, with sale offices in London and Sydney.

The Home Entertainment operation focuses on digital and DVD distribution and has an extensive catalogue of product, which is distributed throughout Australia and New Zealand.

The Digital Marketing business performs voice activated search, search optimisation, website creation, development and performance and online media sales within Australia and New Zealand.

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This announcement is made pursuant to Listing Rule 4.1 & 3.1.

All enquiries should be directed to:
Mr Mikael Borglund. Managing Director, Beyond International Limited
Telephone 02 9437 2000 or email investor_relations@beyond.com.au

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

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	✓	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: N/A			

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Financial Statements

Signed By (Company Secretary)	
Print Name	Paul Wylie
Date	30 August 2019

Your Directors present their report on the Company and its controlled entities ("Consolidated Entity" or "Group") for the financial year ended 30 June 2019.

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, 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 loss attributable to members of the Company for the financial year was $2,645,000 (2018: $707,000).

5. Dividends

No dividends have been declared in relation to the 2019 financial year.

6. Review of operations

Revenue from operations for the year was in line with revenues for 2018 at $83,014,000 compared to $83,156,000 with operating expenses increasing by $2,201,000 or 2.9% year on year.

Net loss after tax before minority interests is $2,610,000 for the 2019 financial year – this compares unfavourably to the loss after tax before minority interests of $1,173,000 reported for the 2018 financial year.

Net cash flow from operating activities was $1,899,000 (2018: $6,206,000).

Net cash reduced by $2,084,000 in the 2019 financial year. This included loan repayments of $1,837,000 in relation to the revolving bill facility established with St George to fund Australian tax credits relating to the Producer Offset and Post, Digital and Visual Effects Offset (PDV).

<u>Television Productions and Copyright Segment</u>

Television production external revenue increased by $6,319,000 or 16.1% to $45,541,000.

In 2019 the net "copyright income" from the further exploitation of the programs by Beyond Distribution is $2,783,000 compared to $4,324,000 in 2018.

Segment operating EBIT for the 12-month period decreased 17.5% to $4,926,000 (2018: $5,974,000).

The television series produced for the US market during the year includes returning titles Deadly Women (series 12 and 13) and My Lottery Dream Home (series 5,6 and 7). New commissions in the year include Curse of Akakor and Mythbusters Junior. New programs produced by 7Beyond include Holiday Gingerbread Showdown, Gingerbread Giants and Eye Poppin Pies.

Australian program commissions during the period include 2019 Santos Tour Down Under, Love It Or List It Australia 3, and season 12 and season 13 of Selling Houses Australia.

The 7Beyond joint venture result for the current year includes a 49.02% share of net operating profits of $1,105,000. This is an improvement to the share of profits in 2018 of $10,000. The venture has received a seventh commission from HGTV for My Dream Lottery Home in the 2019 financial year, with an eighth season expected to be commissioned in 2020.

<u>Home Entertainment Segment (BHE)</u>

Revenue decreased to $7,515,000 or 26.6% compared to the corresponding 12-month period (2018: $10,241,000).

BHE recorded a loss of $2,026,000 in the fiscal 2018 year compared to a loss of $1,331,000 in the 2018 year.

BHE continues to adopt an aggressive write-off policy in relation to its content assets, with depreciation and amortisation for the 2019 financial year of $2,690,000 (2018: $2,931,000). The EBITDA contribution was $665,000 for 2019 compared to an EBITDA of $1,600,000 in 2018.

The total physical DVD market contracted 22% for the twelve-months ending 30 June 2019 (2018: 17% decline).

To complement our existing portfolio of content, BHE in fiscal 2020 will launch the following event level programming:

- The 2019 AFL Grand Final; and
- Knightfall – Season Two.

TV and Film Distribution Segment (Beyond Distribution)

Segment revenue has decreased by $2,378,000 or 10.1% to $21,206,000 compared to the corresponding 12-month period (2018: $23,584,000).

The segment EBIT for the twelve months increased by 6.5% to $1,620,000 from $1,522,000 in 2018.

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, the Love It Or List It franchise, Chasing Monsters and Heavy Rescue 401.

Digital Marketing Segment (Beyond D)

Segment revenue has decreased by $1,087,000 or 11.5% to $8,394,000 compared to the corresponding 12-month period (2018: $9,481,000). The decline in revenue was due to reduced, low margin, Google ad sales.

The division reported a profit of $486,000 for the 12 months compared to a profit of $298,000 in 2018.

The year involved a strong focus on the ever-growing AI Voice side of the business. Beyond D continued its engagement with major brands including Coles, Woolmark, Suncorp and Dymocks. In addition, Beyond D were asked to present at several international conferences in the USA, enabling it to secure our Beyond D overseas voice client - Coldwell Banker. On the awards front Beyond D won the live marketing pitch at Australia's premier marketing conference - Mumbrella 360. Throughout the year Beyond D was able to continue its strong relationship with Google giving Beyond D access to new beta releases of Google product ahead of the market.

In addition to the new voice AI, Beyond D continues to be the leader in search and conversion consulting in the New Zealand market. The highlight win from New Zealand was the Auckland Airport online marketing pitch, won in a very competitive process. Finally, Beyond D continues to produce quality large-scale digital assets for its existing client base in Australia especially the Greenstone Group of companies, Bank of Queensland, Laser Sight and Blue Mountains City Council.

7. 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 2019.

8. Matters subsequent to the end of the financial year

Subsequent to 30 June 2019, the Group received a waiver in relation to breaches to its banking covenants.

The Group secured funding of $7,471,000 from Comerica Bank to finance production of Halifax Retribution. The production facility is secured against Australian tax credits, Government grants and rest of world distribution receipts. The Nine Network retain the distribution rights for Australia and New Zealand.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future years.

9. Likely developments and expected results of operations

The Beyond International Group of companies operates in challenging and competitive sectors. This makes it difficult to detail expected results of operations for the 2020 financial year.

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. The growth of the OTT (Over The Top) platforms as a significant method of content distribution to the consumer has proved disruptive to the traditional free to air and cable platforms. This results in both opportunities and challenges for the Group – to date this disruption has proved somewhat of an opportunity as the Group has achieved significant sales to both OTT platforms and traditional platforms during the year, with productions commissioned by Facebook and Snapchat. Programming concepts are currently being considered by Netflix and YouTube Red.

Long running brands Selling Houses Australia, and Deadly Women provide a solid foundation for Beyond Productions in the 2019 financial year. New productions including a third season of Love It or List It Australia (Lifestyle Channel) and Holiday Gingerbread Showdown (The Food Network) have long running series potential.

Program development continues to target our strong relationships both in the United States and Australia and covers both traditional cable and network buyers as well as all OTT platforms.

The highly rated 7Beyond series My Lottery Dream Home is in production of season 5, 6 and 7 for HGTV and a further season has also recently been agreed.

A number of funded pilots and network presentations are currently in production or under consideration.

Beyond Distribution is looking forward to a strong year with the release of Halifax Retribution in the first quarter of 2020. The division will be launching the first series of Motown Magic to broadcasters around the world in October 2019.

Highly successful third-party titles such as Highway Thru Hell, Heavy Rescue: 401 and Love It or List It will also have new series launched internationally in this coming financial year.

Home Entertainment (BHE) face the challenges of a continually declining physical DVD market. The aggressive amortisation policy will likely mean that BHE will operate at a loss for 2020 but is expected to be cash flow positive.

Beyond D will continue to develop technology opportunities with Google, growing the number of applications to maximise voice activated user engagements, including the potential to tap the US market.

Over the next twelve months the Company's focus will be to further strengthen the financial performance in all operating segments of the Group to generate surplus cash to invest in working capital and new content. The focus will be on organic growth in the production and distribution business segments.

10. Information on Directors & Company Secretary

Name	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.	19,487,059 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. No changes in Directors' interests in shares has occurred from the year ended 30 June 2018.

11. 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 2019, and the number of meetings attended by each Director was:

	Board of Directors Meetings		**Audit Committee Meetings**		**Remuneration Committee Meetings**		**Nomination Committee Meetings**	
Director	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	9	9	2	2	2	2	2	2
M Borglund	9	9	-	-	-	-	2	2
A Lee	9	9	2	2	2	2	2	2
I Robertson	9	9	-	-	2	2	2	2

12. 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 $25,700 (2018: $21,700) 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.

13. 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. Mr. Tim McGee was made redundant on 28 June 2019.

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

2019

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	$782,361	-	-	$20,531	$58,281	-	$861,173	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	$1,079,976	-	-	$30,941	$58,281	-	$1,169,198	0%

Mikael Borglund's bonus as a percentage of his salary and fees is 0% (2018: 0%).

2018

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	$766,469	-	-	$20,049	$67,526	-	$854,044	0%
I Ingram	$188,714	-	-	-	-	-	$188,714	0%
A Lee	$54,795	-	-	$5,205	-	-	$60,000	0%
I Robertson	$54,795	-	-	$5,205	-	-	$60,000	0%
Total	$1,064,773	-	-	$30,459	$67,526	-	$1,162,758	0%

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

For the 2019 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. During the 2018 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

2019

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits (superannuation)	Other Long-Term Benefits (Leave)	Termination Benefits	Share based payments	Total	Share based payments % of Total
J Luscombe	$591,594	$427,964	-	$20,531	$25,397	-	-	$1,065,486	0%
P Wylie	$264,822	-	-	$20,531	$11,649	-	-	$297,002	0%
T McGee	$256,963	-	-	$20,531	($86,138)	152,344	-	$343,700	0%
M Murphy	$339,617	-	-	$17,450	$1,995	-	-	$359,062	0%
P Tehan	$241,582	-	-	$20,528	($801)	-	-	$261,309	0%
P Maddison	$354,177	-	-	$20,531	$16,530	-	-	$391,238	0%
J Ward	$260,493	-	-	$20,531	($16,204)	-	-	$264,820	0%
Total	$2,309,248	$427,964	-	$140,633	($47,572)	152,344	-	$2,982,617	0%

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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DIRECTORS' REPORT

2018

Name	Salary & Fees	Bonus	Non-monetary benefits	Post-employment benefits (superannuation)	Other Long-Term Benefits (Leave)	Termination Benefits	Share based payments	Total	Share based payments % of Total
J Luscombe	$581,142	$358,019	-	$20,049	$8,437	-	-	$967,647	0%
P Wylie	$259,443	-	-	$20,049	$2,620	-	-	$282,112	0%
T McGee	$253,152	-	-	$20,049	$14,166	-	-	$287,367	0%
M Murphy	$319,677	-	-	$16,832	($156)	-	-	$336,353	0%
P Tehan	$236,675	-	-	$20,049	$12,608	-	-	$269,332	0%
P Maddison	$347,615	-	-	$20,049	$13,549	-	-	$381,213	0%
J Ward	$227,766	-	-	$20,049	($19,509)	-	-	$228,306	0%
Total	$2,225,470	$358,019	-	$137,126	$31,715	-	-	$2,752,330	0%

John Luscombe's bonus as a percentage of his salary and fees is 72.3% (2018: 61.6%). The bonus calculation is based on the financial performance of programs created and produced, and divisional net profit before tax performance to budget.

During the 2019 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 were entitled to a performance bonus. This has been received and is detailed above.

In the 2018 financial year the budget criteria were not met and consequently those executives other than John Luscombe were not entitled to this bonus.

Executive Officers' Shareholdings

2019

Entity	Opening Balance 1.07.2018	No. Acquired (On Mkt)	No. Acquired (Off Mkt)	No. Acquired (ESS)	No. Disposed	Closing Balance 30.06.2019
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	-	-	-	-	-	-
	475,478	-	-	-	-	475,478

2018

Entity	Opening Balance 1.07.2017	No. Acquired (On Mkt)	No. Acquired (Off Mkt)	No. Acquired (ESS)	No. Disposed	Closing Balance 30.06.2018
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	-	-	-	-	-	-
	475,478	-	-	-	-	475,478

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 32 and the Director's Report.

Voting and Comments made at the Company's 2018 Annual General Meeting (AGM)

The company received 98.9% of "for" votes in relation to its remuneration report for the year ended 30 June 2018. 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 29) 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 were originally 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. There are 1,525,000 shares still subject to the Employee Share Plan.

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 5 years.

	EBIT	Net Profit/(Loss)	EPS	NTA	Total Equity	Dividends
	000s	000s	(Cents per share)	(Cents per share)	000s	(Cents per share)
2015	5,964	5,885	9.59	62.19	44,009	10.00
2016	5,553	5,317	8.67	61.37	43,326	10.00
2017	(8,195)	(7,469)	(12.18)	44.37	32,085	2.00
2018	354	(707)	(1.15)	42.67	30,919	0.00
2019	(1,393)	(2,645)	(4.31)	38.35	28,122	0.00

This concludes the remuneration report that has been audited.

14. Total number of employees

The total number of fulltime equivalent employees employed by the Group at 30 June 2019 was 108 as compared with 113 at 30 June 2018.

15. Shares under option

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

16. Shares redeemed under the Employee Share Plan

No 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.

17. 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.

18. Corporate Governance Statement

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

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

19. Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial Director's Report) Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the report. Amounts in the financial report have been rounded off in accordance with that Legislative instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

20. 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.

21. 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 BDO and other BDO Network firms per note 5(c) during the year ended 30 June 2019:

Tax compliance and other assurance services	$102,109

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.

22. Auditors independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 28 of the Directors' Report.

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 August 2019
Sydney

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www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000

Australia

DECLARATION OF INDEPENDENCE BY MARTIN COYLE TO THE DIRECTORS OF BEYOND INTERNATIONAL LIMITED

As lead auditor of Beyond International Limited for the year ended 30 June 2019, 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.

Martin Coyle
Partner

BDO East Coast Partnership

Sydney, 30 August 2019

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Revenue from continuing operations	5 (a)	**83,014**	83,156
Other income	5 (a)	**411**	303
Share of profits of joint ventures and investments in associates accounted for using the equity method	17	**1,105**	10
Royalty expense		**11,887**	13,159
Production costs		**39,119**	29,998
Home entertainment direct costs		**4,831**	6,416
Digital marketing direct costs		**5,807**	6,640
Administration costs		**2,894**	5,237
Employee benefits expense		**15,014**	14,760
Finance costs	5 (b)	**598**	261
Provisions		**168**	(61)
Depreciation, amortisation, impairment and write-down of content assets expense	5 (b)	**6,185**	6,781
Net foreign exchange loss		**-**	164
Loss on disposal of property, plant and equipment		**-**	1
(Loss)/profit before income tax		**(1,973)**	114
Income tax expense	6 (a)	**(637)**	(1,287)
Loss after income tax for the year		**(2,610)**	(1,173)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(74)	62
Other comprehensive income for the year, net of tax		**(74)**	62
Total comprehensive income for the year		**(2,684)**	(1,111)
Loss is attributable to:			
Owners of Beyond International Limited		**(2,645)**	(707)
Non-controlling interest		**35**	(466)
		(2,610)	(1,173)
Total comprehensive income for the year is attributable to:			
Owners of Beyond International Limited		**(2,719)**	(645)
Non-controlling interest		**35**	(466)
		(2,684)	(1,111)
Earnings per share attributable to the owners of Beyond International Limited		**Cents**	Cents
Basic and diluted loss per share	7	**(4.31)**	(1.15)
Dividends per share	26	**-**	-

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

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	Consolidated Entity 2019 $000's	2018 $000's
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**5,172**	7,256
Trade and other receivables	9	**22,817**	27,780
Current tax receivables		**506**	62
Inventories	10	**2,959**	2,943
Other current assets	11	**11,757**	13,073
TOTAL CURRENT ASSETS		**43,211**	51,114
NON-CURRENT ASSETS			
Trade and other receivables	9	**3,338**	1,835
Investments accounted for using the equity method	17	**814**	414
Property plant and equipment	13	**1,677**	2,048
Right-of-use assets	14	**6,026**	-
Intangible assets	15	**4,600**	4,750
Deferred tax assets	6(c)	**174**	89
Other non-current assets	11	**7,826**	7,867
TOTAL NON-CURRENT ASSETS		**24,455**	17,003
TOTAL ASSETS		**67,666**	68,117
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	**6,403**	6,414
Financial liabilities	12	**-**	161
Employee benefits	18	**3,749**	3,691
Current tax liabilities	6(d)	**328**	187
Other financial liabilities	19	**2,058**	2,399
Lease liabilities	21	**1,571**	-
Other current liabilities	20	**18,505**	20,171
Borrowings	22	**67**	1,837
TOTAL CURRENT LIABILITIES		**32,681**	34,860
NON-CURRENT LIABILITIES			
Deferred tax liabilities	6(c)	**1,391**	1,364
Employee benefits	18	**227**	218
Other financial liabilities	19	**-**	600
Lease liabilities	21	**4,724**	-
Other non-current liabilities	20	**521**	155
TOTAL NON-CURRENT LIABILITIES		**6,863**	2,337
TOTAL LIABILITIES		**39,544**	37,197
NET ASSETS		**28,122**	30,919
EQUITY			
Issued capital	23	**34,018**	34,018
Reserves		**257**	331
Accumulated losses		**(6,187)**	(3,095)
Non-controlling interests		**34**	(334)
TOTAL EQUITY		**28,122**	30,919

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

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	$000's	$000's	$000's	$000's	$000's	$000's
Balance at 01 July 2018 (Reported)	**34,018**	**331**	**(3,095)**	**31,253**	**(334)**	**30,919**
Adjustment on initial application of AASB 16, net of tax	**-**	**-**	**(112)**	**(112)**	**-**	**(112)**
Balance at 01 July 2018 (Restated)	**34,018**	**331**	**(3,208)**	**31,141**	**(334)**	**30,807**
Loss for the year	**-**	**-**	**(2,645)**	**(2,645)**	**35**	**(2,610)**
Other comprehensive income for the year, net of tax	**-**	**(74)**	**-**	**(74)**	**-**	**(74)**
Total comprehensive income for the year	**-**	**(74)**	**(2,645)**	**(2,719)**	**35**	**(2,684)**
Transactions with owners in their capacity as owners:						
Minority interest losses transferred on cessation of operations.	**-**	**-**	**(333)**	**(333)**	**333**	**-**
Balance at 30 June 2019	**34,018**	**257**	**(6,187)**	**28,088**	**34**	**28,122**
Balance at 01 July 2017	34,018	269	(2,333)	31,953	132	32,085
Loss for the year	-	-	(707)	(707)	(466)	(1,173)
Other comprehensive income for the year, net of tax	-	62	(54)	8	-	8
Total comprehensive income for the year	-	62	(761)	(699)	(466)	(1,165)
Balance at 30 June 2018	34,018	331	(3,095)	31,253	(334)	30,919

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

BEYOND INTERNATIONAL LIMITED AND ITS CONTROLLED ENTITIES
ABN 65 003 174 409
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**90,507**	93,452
Payments to suppliers and employees (inclusive of GST)		**(87,141)**	(86,622)
Interest received		**18**	20
Finance costs paid		**(598)**	(261)
Income tax paid (net of refunds)		**(887)**	(383)
Net cash provided by operating activities	8(a)	**1,899**	6,206
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(768)**	(851)
Prepaid royalties		**(541)**	(1,399)
Prepaid royalties recouped		**287**	1,153
Proceeds from disposal of property, plant and equipment		**135**	9
Proceeds/(payments) for investments and joint venture		**726**	(893)
Investments in development projects		**(335)**	(706)
Net cash flows used in investing activities		**(497)**	(2,688)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings (net)		**(1,770)**	(3,907)
Lease principal repayments		**(1,716)**	-
Net cash flows used in financing activities		**(3,486)**	(3,907)
Net decrease in cash held		**(2,084)**	(389)
Cash and cash equivalents at the beginning of the financial year		**7,256**	7,645
Cash and cash equivalents at the end of the financial year		**5,172**	7,256

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

1 Reporting Entity

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) as at and for the year ended 30 June 2019.

The financial report of Beyond International Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Board of Directors on 30 August 2019.

2 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 for-profit oriented entities. 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).

3 Significant accounting policies

This section sets out the significant accounting policies upon which the financial statements are prepared as a whole. Specific accounting policies are described in their respective notes to the financial statements. This section also shows information on new accounting standards, amendments and interpretations, and whether they are effective in the current or later years.

The accounting policies have been consistently applied to all periods presented in these financial statements, unless otherwise stated.

Basis of preparation

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.

These financial statements are presented in Australian dollars, which is the Group's functional currency.

Rounding

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

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 2019 and the results of all subsidiaries for the year then ended.

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 until the point at which the operations of the minority interest ceases. Any residual balance is then subsequently reclassified to the retained earnings.

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 30 to the financial statements. Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Foreign Operations

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.

Goods and Services Tax ("GST") and Value Added Tax ("VAT")

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.

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.

Use of judgements and estimates

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 detailed in Note 11.
- The recoverability of capitalised development costs detailed in Note 11.
- The recoverability of capitalised production costs detailed in Note 11.
- The valuation of goodwill detailed in Note 15.
- The recoverability of deferred tax assets as detailed in Note 6.
- The valuation of right-of-use-assets and the lease liability values as detailed in Note 14 and 21.
- The valuation of employee benefits in Note 18.

New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have been applied in preparing these financial statements. Specifically the Group has adopted AASB 9 Financial instruments, AASB 15 Revenue from contracts with customers and has early adopted AASB 16 Leases. Further details are set out below.

(i) AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ (‘ECL’) model for impairment of financial assets. There was no adjustment required.

AASB 9 did not have a significant impact on the Group’s accounting policies. Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified as amortised cost. The effect of adopting AASB 9 on the carrying amounts of financial assets at 1 July 2018 relates solely to the new impairment requirements applying the ECL model. As the ECL assessment has resulted in an immaterial credit loss no additional impairment allowance has been recognised by the Group as at 1 July 2018.

(ii) AASB 15 Revenue from contracts with customers

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue, AASB 111 Construction Contracts and several other revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018. There has not been a material impact on the adoption of this standard.

The Group's revenue streams can be broadly classified into the following categories:

- TV Production and Copyright
- Film & Television Distribution
- Home Entertainment
- Digital Marketing
- Royalties

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or a service to a customer which is either at a point in time or over time.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether an objective measure other than the passage of time is required before the consideration is due.

AASB 15 did not have a significant impact on the Group's accounting policies with respect to the revenue streams detailed below.

TV Production and Copyright

Revenue for TV Production and Copyright services are recognised over time as the production services are provided to the customer. Each customer contract for TV Production and Copyright services are unique to the customer and it has been determined that there is no alternative use of the production services to the Group. Under the TV Production and Copyright contracts with customers, the Group have an enforceable right to payment for the work completed to date. The input method for determining the amount of revenue to be recognised is assessed based on the costs incurred, which depicts the Group's transferring of the control of the production to the customer.

Rebate revenue in relation to productions is recognised as a grant when the conditions attached to the grant have been fulfilled. The rebate revenue is recognised on a systematic basis in line with the respective costs incurred of the production.

Film & Television Distribution

Revenue for Film & Television Distribution services are recognised at a point in time when the Broadcaster is able to exploit the distribution rights and when the IP rights have been delivered. Both internal and external title IP rights are delivered to the customer by episode.

Home Entertainment

Revenue for Home Entertainment represents the publication and promotion of the Group's partners content on DVD, Blu-ray and digital distribution platforms. Under certain contracts with customers, Home Entertainment operates under a consignment arrangement. Revenue for Home Entertainment is recognised at the point in time when the goods have been accepted as delivered to the customer. For the consignment arrangements, revenue is recognised when the goods have been sold by the retailer to the end-customer.

Digital Marketing

Digital Marketing services includes a range of services including UX/UI design, web development, hosting, project management and search performance services. Revenue for Digital Marketing services are recognised over time as the services are provided to the customer. The stage of completion for determining the amount of revenue to recognise is assessed based on either the costs incurred or the time elapsed, depending on which method best depicts the Group's transferring of the control to the customer.

Royalties

Royalty receipts are received in exchange for a licence of intellectual property. Beyond royalty revenue is currently recognised at a point in time, being once the revenue can be accurately estimated.

(iii) AASB 16 Leases

AASB 16 was issued in February 2016 for adoption from January 2019. The Group has decided to early adopt the standard from 1 July 2018. It has resulted in almost all the Group's leases being recognised on the statement of financial position as right-of-use assets, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under the preceding standard, AASB 117 Leases.

Where a lease is identified at inception, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the market rate.

When the lease liability is remeasured in this way through the cost model method, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero and the value is decreasing.

The Group used the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117.

• Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.

• Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

• Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impacts on financial statements

On transition to AASB 16, the Group recognised an additional $7,466,000 of right-of-use assets and $7,578,000 of lease liabilities, recognising the difference in retained earnings. The group have recognised an additional depreciation charge during the year of $1,808,000 in relation to depreciation of the right-of-use asset, and additional finance costs of $445,000 due to interest expense on the lease liability.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at date of initial application of AASB 16. The rate applied was 6.64%.

Operating cashflows have increased and financing cashflows have decreased by $1,716,000 as repayment of the principal portion of the lease liabilities will be classified as cashflows from financing activities.

Impact on EPS is (0.15) cents per share.

Standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods after the year ended 30 June 2019, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Interpretation 23 Uncertainty over Income Tax Treatments

Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to:
Determine whether uncertain tax positions are assessed separately or as a group, and

Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

If yes, the Group should determine its accounting tax position consistent with the tax treatment used or planned to be used in its income tax filings.

If no, the Group should reflect the effect of uncertainty in determining its accounting tax position.

The interpretation is effective for annual periods beginning on or after 1 January 2019. The Group can apply the Interpretation with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.

The directors of the Group are still assessing the impact that the Interpretation will have on the Group's financial statements.

Going Concern

For the year ended 30 June 2019, the Consolidated Entity made a loss of $2,610,000 (2018: $1,173,000).

The Directors are of the opinion that the Consolidated Entity will be able to continue as a going concern given that the bank waived the breach of covenants on 29 August 2019 and the Directors anticipate that the current years loss was an anomaly due to continuing trading difficulties in the Home Entertainment segment, with the Consolidated Entity expecting to return to a profitable position for the year ending 30 June 2020.

Reclassification of comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Distribution guarantees have been reclassified in the statement of cashflows to form part of operating activities to reflect their nature of being bought and sold in the ordinary course of business. In the prior year these were classified as investing activities.

A reclassification of the prior period production revenue and production costs figures has been processed in the current period financial statements in order to more accurately reflect the classification of revenue and costs in respect of management fees.

The reclassifications above had no impact on the reported results or the financial position of the group.

4. OPERATING SEGMENTS

Management, as the chief operating decision maker, 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:

1. *TV production and copyright* Production of television programming and ownership of television product copyright.

2. *Film and Television distribution* International distribution of television programmes and feature films.

3. *Home Entertainment* Distribution in Australia and New Zealand of DVDs.

4. *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.

4. OPERATING SEGMENTS (Continued)

Operating Segment	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Consolidation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$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	**45,541**	39,223	**21,206**	23,584	**7,515**	10,241	**8,394**	9,481	**357**	628	**83,014**	83,156
Other income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other segments	**6,330**	7,742	**866**	-	**-**	-	**556**	300	**(7,752)**	(8,042)	**-**	-
Total revenue	**51,872**	46,964	**22,072**	23,584	**7,515**	10,241	**8,950**	9,781	**(7,395)**	(7,414)	**83,014**	83,156
Result before fx, interest and D&A	**5,179**	8,689	**2,237**	2,191	**665**	1,600	**747**	422	**(4,335)**	(5,602)	**4,493**	7,300
Depreciation, amortisation and write-down of content assets	**(1,359)**	(2,725)	**(617)**	(670)	**(2,540)**	(2,931)	**(261)**	(124)	**(1,258)**	(332)	**(6,035)**	(6,781)
Impairment of assets	**-**	-	**-**	-	**(150)**	-	**-**	-	**-**	-	**(150)**	-
Result before interest, fx & other unallocated expenses	**3,821**	5,964	**1,620**	1,522	**(2,026)**	(1,331)	**486**	298	**(5,593)**	(5,934)	**(1,693)**	518
Net interest expense											**(580)**	(241)
Foreign exchange gain / (loss)											**300**	(164)
(Loss)/profit before income tax											**(1,973)**	114
Income tax expense											**(637)**	(1,287)
Loss after income tax											**(2,610)**	(1,173)
Non-controlling interest portion of the (loss)											**(35)**	466
Loss for the year											**(2,645)**	(707)

4. OPERATING SEGMENTS (Continued)

Operating Segment	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Consolidation	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	$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	**15,474**	15,041	**29,686**	31,948	**9,886**	11,782	**3,829**	3,282	**(31,005)**	(29,194)	**27,870**	32,859
Deferred tax assets & other non-current assets											**174**	89
Corporate assets											**39,622**	35,169
Total assets											**67,666**	68,117
LIABILITIES												
Segment liabilities	**11,646**	9,390	**16,303**	16,199	**1,572**	1,588	**1,556**	1,151	**(1,578)**	(300)	**29,499**	28,028
Deferred tax liabilities											**1,391**	1,364
Corporate liabilities											**8,654**	7,805
Total liabilities											**39,544**	37,197
Other												
Capital expenditure	**252**	211	**-**	26	**243**	424	**5**	7	**268**	240	**768**	908
Other non cash expenses	**374**	261	**464**	351	**79**	2	**(11)**	(21)	**125**	(68)	**1,031**	525
Impairment of assets	**-**	-	**-**	-	**150**	-	**-**	-	**-**	-	**150**	-

Geographical Information

	Segment revenues from external customers		Carrying amount of segment assets		Acquisition of non current segment assets	
	2019	2018	2019	2018	2019	2018
	$000's	$000's	$000's	$000's	$000's	$000's
Australia	**33,884**	32,488	**33,068**	31,303	**547**	804
North America	**29,815**	26,158	**4,418**	2,392	**7**	14
Europe	**13,293**	18,272	**29,407**	33,897	**4**	26
Rest of World	**6,022**	6,238	**773**	525	**5**	7
	83,014	83,156	**67,666**	68,117	**563**	851

4. OPERATING SEGMENTS (Continued)

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 each segment revenue total is revenue from customers in excess of 10% of total segment revenue. Total revenues relating to these customers are $43m (2018: $35m) within the TV Production & Copyright and Film & Television distribution segments, $5.9m (2018: $7.1m) within the Home Entertainment segment and $1.4m (2018: $1.1m) within the Digital Marketing segment.

5. REVENUES AND EXPENSES

(a) Revenue and other income

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Revenue		
Sales revenue	**82,009**	82,597
Royalty revenue	**1,004**	558
Rental revenue	**1**	1
	83,014	83,156
Other income		
Net realised/unrealised foreign currency translation gains	**300**	-
Management service fees	**86**	283
External interest	**18**	20
Gain on the sale of property, plant and equipment	**7**	-
Total revenue and other income	**83,425**	83,459

Recognition and measurement

Revenue from operating activities represents revenue earned from TV Productions & Copyright sales, Film & Television distribution, Home Entertainment sales, digital marketing sales and royalty revenue.

Revenue is recognised when the Group transfers control over a good or a service to a customer either at a point in time or over time. The following specific recognition criteria must also be met before revenue is recognised:

Revenue for TV Production and Copyright services are recognised over time as the production services are provided to the customer. Each customer contract for TV Production and Copyright services are unique to the customer and it has been determined that there is no alternative use of the production services to the Group. Under the TV Production and Copyright contracts with customers, the Group have an enforceable right to payment for the work completed to date. The input method for determining the amount of revenue to be recognised is assessed based on the costs incurred, which depicts the Group's transferring of the control of the production to the customer.

Revenue for Film & Television Distribution services are recognised at a point in time when the Broadcaster is able to exploit the distribution rights and when the IP rights have been delivered. Both internal and external title IP rights are delivered to the customer by episode.

Royalty revenue is recognised at a point in time, being once the revenue can be accurately estimated.

Revenue for Home Entertainment is recognised at the point in time when the goods have been accepted as delivered to the customer. For the consignment arrangements, revenue is recognised when the goods have been sold by the retailer to the end-customer.

Revenue for Digital Marketing services are recognised over time as the services are provided to the customer. The stage of completion for determining the amount of revenue to recognise is assessed based on either the costs incurred or the time elapsed, depending on which method best depicts the Group's transferring of the control to the customer.

Where amounts are invoiced before revenue is earned, a deferred revenue liability is brought to account. These contract liabilities reflect the consideration received in respect of unsatisfied performance obligations.

Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions:

	TV Production & Copyright		Film & Television Distribution		Home Entertainment		Digital Marketing		Other & Inter Segment Eliminations		Consolidation	
	2019 $000's	2018 $000's	**2019 $000's**	2018 $000's	**2019 $000's**	2018 $000's	**2019 $000's**	2018 $000's	**2019 $000's**	2018 $000's	**2019 $000's**	2018 $000's
Geographical Regions												
Australia	**23,495**	20,497	**5,288**	3,616	**7,324**	10,138	**4,871**	5,651	**(7,094)**	(7,414)	**33,884**	32,488
North America	**25,356**	20,329	**4,733**	5,807	**-**	22	**-**	-	**(274)**	-	**29,815**	26,158
Europe	**3,021**	6,138	**10,298**	12,126	**-**	8	**-**	-	**(27)**	-	**13,292**	18,272
Rest of World	**-**	-	**1,753**	2,035	**191**	73	**4,079**	4,130	**-**	-	**6,023**	6,238
	51,872	46,964	**22,072**	23,584	**7,515**	10,241	**8,950**	9,781	**(7,395)**	(7,414)	**83,014**	83,156
Timing of Revenue Recognition												
Goods transferred at a point in time	**-**	-	**22,072**	23,584	**7,515**	10,241	**-**	-	**-**	-	**29,586**	33,825
Services transferred over time	**51,872**	46,964	**-**	-	**-**	-	**8,950**	9,781	**(7,395)**	(7,414)	**53,428**	49,331
	51,872	46,964	**22,072**	23,584	**7,515**	10,241	**8,950**	9,781	**(7,395)**	(7,414)	**83,014**	83,156

5. REVENUES AND EXPENSES (Continued)

		Consolidated Entity 2019 $	Consolidated Entity 2018 $
(b)	**(Loss)/ profit before tax includes the following:**		
	Bad and doubtful debts		
	- Trade receivables written off during the period	**2**	37
	- Trade receivables movement in provision (Note 9)	**(10)**	(424)
		(8)	(387)
	Rental expense on operating leases		
	- Minimum lease payments	**-**	1,715
	- Variable payments not included in the measurement of lease liabilities	**(27)**	-
	- Expenses relating to leases of low-value assets, excluding short term leases of low-value assets	**78**	-
		51	1,715
	Finance costs		
	- Interest expense on borrowings	**153**	261
	- Interest expense on lease liabilities	**445**	-
		598	261
	Loss on disposal of asset	**-**	1
	Depreciation, amortisation, impairment and write-down of content assets		
	- Property, plant and equipment assets (Note 13)	**951**	1,207
	- Right-of-use assets (Note 14)	**1,808**	-
	- Impairment of assets (Note 15)	**150**	-
	- Intangible assets (Note 15)	**-**	119
	- Other assets (Note 11)	**3,276**	5,455
		6,185	6,781
	Foreign exchange loss / (gain)		
	Fair value (increase)/decrease in derivative financial instruments (Note 12)	**(161)**	223
	Other realised/unrealised foreign currency translation (gains)	**(139)**	(59)
		(300)	164
	Superannuation guarantee expense	**934**	962
(c)	**Auditors' Remuneration**		
	Remuneration of the auditor of the parent entity and its controlled entities for:		
	- Audit or review of the financial report	**334,305**	316,165
	- Other assurance services	**-**	10,000
	- Tax compliance services	**66,597**	62,114
	Remuneration of network firms for:		
	- Tax compliance services	**35,512**	53,111
	Remuneration of other auditors of subsidiaries for:		
	- Audit or review of the financial report	**57,463**	44,532
	- Other assurance services	**58,240**	27,135
	- Tax compliance services	**11,614**	16,697

6. INCOME TAX EXPENSE

		2019 $000's	2018 $000's
(a)	**The components of tax expense comprise:**		
	Current income tax	**(1,356)**	(708)
	Deferred income tax	**(261)**	187
	Withholding tax	**20**	-
	Adjustments in respect of current income tax of previous years	**102**	279
	Derecognition of the tax losses previously brought to account	**199**	604
	Tax losses not brought to account	**1,933**	988
	Other	**-**	(63)
	Income tax expense reported in the Statement of Profit or Loss and Other Comprehensive Income	**637**	1,287
(b)	**The prima facie tax on (loss)/profit from ordinary activities before income tax is reconciled to the income tax expense as follows:**		
	(Loss)/profit before income tax	**(1,973)**	114
	Prima facie tax payable on (loss)/profit from ordinary activities before income tax at 30% (2018: 30%)	**(592)**	34
	Less:		
	Tax effect of :		
	- Other non-assessable/deductible items	**(667)**	254
		(1,259)	288
	Less:		
	Tax effect of :		
	- Adjustments in respect of current income tax of previous years	**102**	279
	- Withholding tax losses written off from prior years	**20**	-
	- Derecognition of the tax losses previously brought to account	**199**	604
	- Tax losses not brought to account	**1,933**	988
	- Effect of lower tax rate on overseas income	**(358)**	(816)
	- Other	**-**	(58)
	Add: US State tax	**-**	2
	Income tax expense	**637**	1,287
	The applicable weighted average effective tax rates are as follows:	**-32%**	1129%
(c)	**Deferred Tax**		
	Deferred tax liabilities		
	Distribution guarantees and unrecouped program expenses	**(1,394)**	(1,998)
	Capitalised production costs and other expenses	**(1,477)**	(1,278)
	Offset deferred tax liabilities against deferred tax assets	**1,480**	1,912
		(1,391)	(1,364)
	Deferred tax assets expected to be recovered within 12 months	**112**	24
	Deferred tax assets expected to be recovered after more than 12 months	**62**	65
		174	89
	Deferred tax liabilities expected to be due within 12 months	**(1,369)**	(1,345)
	Deferred tax liabilities expected to be due after more than 12 months	**(22)**	(19)
		(1,391)	(1,364)

6. INCOME TAX EXPENSE (Continued)

	2019 $000's	2018 $000's
Deferred tax assets		
Provisions and accruals	**1,586**	1,734
Tax losses	**68**	267
Offset deferred tax liabilities against deferred tax assets	**(1,480)**	(1,912)
	174	89
Net deferred tax liabilities	**(1,217)**	(1,275)
Movements:		
Opening balance	**(1,275)**	(240)
Credited/(charged) to profit or loss	**58**	(1,035)
Closing Balance	**(1,217)**	(1,275)

(d) Liabilities

	2019 $000's	2018 $000's
Current		
Income tax	**(328)**	(187)

The above is a current provision for income tax payable by the parent and subsidiaries of the Consolidated Entity.

Recognition and measurement

In accordance with the details below, 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.

The Group has recognised tax losses as shown above only to the extent that these balances offset deferred tax liabilities. The Australian tax group has unrecognised tax losses available totalling $17,835,000 (2018: $12,278,000).

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

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 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.

7. EARNINGS PER SHARE

	Consolidated Entity 2019 Cents per share	Consolidated Entity 2018 Cents per share
Basic and diluted loss per share:	**(4.31)**	(1.15)

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

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Net loss attributable to ordinary equity holders (used in calculating basic earning and diluted per share)	**(2,645)**	(707)
Net loss attributable to ordinary equity holders (used in calculating diluted earning per share)	**(2,645)**	(707)
Weighted average number of ordinary shares in calculating basic earnings and diluted per share	**Number**	Number
	61,336,968	61,336,968

Recognition and measurement
Basic earnings per share is calculated as net (loss)/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.

8. CASH FLOW INFORMATION

(a) Reconciliation of cash flows from operations with net loss after income tax

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Loss after income tax	**(2,610)**	(1,173)
Adjustment for non-cash flow in loss:		
Depreciation, amortisation, impairment and write-down of content assets expense	**6,185**	6,781
Net gain on sale of property, plant and equipment	**(7)**	1
Share of profits of joint ventures and investments in associates accounted for using the equity method	**(1,105)**	(10)
Unrealised foreign exchange (gain)/loss	**(173)**	110
Decrease in trade and other receivables	**3,400**	3,306
(Increase)/decrease in inventory	**(16)**	681
(Increase) in other assets	**(1,379)**	(3,540)
(Decrease)/increase in deferred tax assets and liabilities	**52**	925
(Decrease)/increase in trade and other creditors	**230**	(1,936)
(Decrease) in other financial liabilities	**(940)**	(1,714)
(Decrease)/increase in other liabilities	**(1,880)**	2,572
Increase in provisions	**142**	204
Cash flow from operations	**1,899**	6,206

8. CASH FLOW INFORMATION (Continued)

(b) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available

	Consolidated Entity 2019 $000's	2018 $000's
Secured multi option facility		
Used at reporting date *	**1,048**	603
Unused at reporting date	**2,063**	2,193
Total facility	**3,111**	2,796

* 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 8.16% at 30 June 2019 (8.22% at 30 June 2018).

	2019 $000's	2018 $000's
Bill acceptance/discount facility		
Used at reporting date *	**67**	1,837
Unused at reporting date	**5,933**	4,163
Total facility	**6,000**	**6,000**

* The amount of the facility used at reporting date is for funding production offsets

The bill acceptance/discount facility may be drawn at any time and may be terminated by the bank on demand.

The interest rate on the facility is the discount base rate of nil as no facility was used at 30 June 2019 (3.59% at 30 June 2018).

The facilities are secured by certain covenants on the Consolidated Entity that these financial conditions are met -

a) Minimum capital adequacy rate of 42.5%
b) Gross debt less cash cannot be more than 2 x EBITDA
c) Interest cover ratio of 5x
d) Total bill facility drawdown cannot exceed 85% of total producer offsets

	2019 $000's	2018 $000's
Secured credit card facilities		
Used at reporting date	**187**	187
Unused at reporting date	**78**	78
Total facility	**265**	265
Secured equipment loan facility		
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

	2019 $000's	2018 $000's
Fixed and floating charge over assets	**67,666**	68,117
Total assets pledged as security	**67,666**	68,117

Recognition and measurement
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.

Cash and Cash equivalents has an element of restricted cash totalling $728,511 (2018: 1,211,772).

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.

9. TRADE AND OTHER RECEIVABLES

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Current		
Trade receivables	**22,823**	27,796
Provision for expected credit losses	**(6)**	(16)
	22,817	27,780
Non-current		
Trade receivables	**3,338**	1,835
	3,338	1,835

Ageing of debtors	2019 $000's Gross	2019 $000's Provision	2018 $000's Gross	2018 $000's Provision
Not past due	**20,975**	**-**	26,232	-
Past due 0-90 days	**3,546**	**-**	2,550	-
Past due 91-180 days	**1,152**	**-**	74	-
Past due 180+ days	**488**	**(6)**	774	(16)
	26,161	**(6)**	29,631	(16)

Reconciliation of provision for expected credit loss	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Opening balance	**(16)**	(440)
Additional provision recognised	**-**	(2)
Utilised	**10**	426
Closing balance	**(6)**	(16)

Recognition and measurement

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectable amounts or expected credit losses. 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.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. Bad debts are written off when they are identified.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 36 month before the beginning of the reporting period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the GDP annual growth rate and the unemployment rate of the regions in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

A default event is defined when a debtor becomes past due. On becoming past due 0-30 days a reminder email is sent and followed up with a phone call. If the default moves into the next bracket of 31-60 days past due the sales executive makes contact with the customer. If the default moves into the 61-90 days a final email is sent and the details are passed onto the lawyers. Once it moves into the 91+ bracket the account is placed on hold and management will discuss if the amount should be written-off.

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's

10. INVENTORIES

	2019 $000's	2018 $000's
Current		
DVD Stock - raw material at cost	**83**	85
DVD Stock - finished goods at net realisable value	**2,860**	2,848
Stock footage - at cost	**16**	10
	2,959	2,943

Recognition and measurement
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.

Costs of purchasing inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to make the sale.

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.

11. OTHER ASSETS

	2019 $000's	2018 $000's
Current		
Capitalised development costs	**3,324**	3,085
Less: deferred revenue	**(1,583)**	(1,675)
	1,741	1,410
Distribution advances	**7,925**	18,412
Write down of distribution advances	**(4,428)**	(14,211)
	3,497	4,201
Prepaid royalties	**2,987**	4,696
Capitalised production costs	**2,299**	1,854
Prepayments	**1,232**	912
	3,531	2,767
	11,757	13,073
Non-current		
Capitalised production costs	**6,527**	6,634
Investment in 3rd party copyright	**1,299**	1,234
	7,826	7,867

Recognition and measurement
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. The 2019 accounts includes an amount of $228,971 (2018: $182,047) that was expensed during the year .

Capitalised production costs
Television production costs are capitalised and written down to their net realisable value on a title-by-title basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to make the sale. Forecast sales revenues are reviewed regularly and the write-off of the asset is recognised as a write-down of content assets as disclosed in note 5(b). Where doubt exists as to the ability to recover the expenditure from future sales, the amounts in doubt is provided for in the year in which the assessment is made. The 2019 accounts includes an amount of $637,923 (2018: $2,274,865) that was expensed during the year.

The estimates relating to future licencing revenues of each production are re-assessed each financial year and amounts that are not expected to be recouped within 12 months have been reclassified as non-current.

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.

Distribution advances and prepaid royalties
Distribution advances for television and feature film distribution rights, and prepaid royalties for DVD rights, are capitalised at cost as paid. Distribution advances and prepaid royalties are written down to their net realisable values on a title-by-title basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs to make the sale.

Distribution advances includes an expense of $451,106 (2018: $641,985) that was reflected as a write-off of content assets as disclosed in note 5(b).

Prepaid royalties includes an expense of $1,958,336 (2018: $2,356,019) that was reflected as a write-off of content assets as disclosed in note 5(b).

11. OTHER ASSETS (Continued)

Prepayments
Amounts paid in advance are recorded at cost and are subsequently expensed based on the actual month of expenditure.

Investment in 3rd party copyright
The Group has invested in the rights to receive future revenue streams from 3rd party produced programs, and will be recouped from future sales.

12. FINANCIAL LIABILITIES

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Derivative financial liabilities	-	(161)
	-	(161)

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 2019		Consolidated Entity 2018	
	Level 2 $000's	Total $000's	Level 2 $000's	Total $000's
Financial liabilities:				
Financial liabilities at fair value through profit or loss:				
- derivative instruments	-	-	(161)	(161)
	-	-	(161)	(161)

During the 2019 financial period, the Consolidated Entity had nil value of Level 3 financial assets and financial liabilities (2018: nil).

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.

12. 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			
	2019		2018	
	Carrying Amount $000's	Fair Value $000's	Carrying Amount $000's	Fair Value $000's
NON-CURRENT ASSETS				
Trade and other receivables	**3,338**	**3,091**	1,835	1,699
	3,338	**3,091**	1,835	1,699
NON-CURRENT LIABILITIES				
Other non-current liabilities	**521**	**482**	155	143
	521	**482**	155	143

Recognition and measurement

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.

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 foreign exchange rate risks. Exchange contracts are brought to account as explained in note 3.

Refer to note 31 for further information on financial instruments.

13. PROPERTY, PLANT AND EQUIPMENT

	Consolidated Entity	
Year ended 30 June 2019	**Plant & equipment $000's**	**Total $000's**
Balance at 01 July 2018	2,048	2,048
Additions	768	768
Disposal	(123)	(123)
Depreciation charge for the year	(951)	(951)
AASB 16 adjustment	(65)	(65)
Carrying amount at 30 June 2019	**1,677**	**1,677**
As at 01 July 2018		
Cost	11,497	11,497
Accumulated depreciation and impairment	(9,449)	(9,449)
Net carrying amount	2,048	2,048

Leased motor vehicle and equipment assets have been transferred to owned assets as the lease had completed in prior period $385,000

As at 30 June 2019		
Cost	11,926	11,926
Accumulated depreciation and impairment	(10,249)	(10,249)
Net carrying amount	**1,677**	**1,677**

13. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Consolidated Entity	
Year ended 30 June 2018	**Plant & equipment $000's**	**Total $000's**
Balance at 01 July 2017	2,414	2,414
Additions	851	851
Disposal	(10)	(10)
Depreciation charge for the year	(1,207)	(1,207)
Carrying amount at 30 June 2018	2,048	2,048

Recognition and measurement

Property, plant and equipment are measured at historical cost less accumulated depreciation and impairment loss.

The expected useful lives are 3 to 10 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.

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.

14. RIGHT-OF-USE ASSETS

	Consolidated Entity		
Year ended 30 June 2019	**Property $000's**	**Equipment $000's**	**Total $000's**
Balance at 01 July 2018	7,437	29	7,466
Modification	252	-	252
Additions	-	37	37
Disposal	(10)	-	(10)
Depreciation charge for the year	(1,790)	(18)	(1,808)
Exchange adjustment	89	-	89
Carrying amount at 30 June 2019	**5,978**	**48**	**6,026**
As at 01 July 2018			
Cost	8,758	80	8,838
Accumulated depreciation	(1,320)	(51)	(1,371)
Net carrying amount	7,437	29	7,466
As at 30 June 2019			
Cost	8,848	74	8,922
Accumulated depreciation	(2,871)	(25)	(2,896)
Net carrying amount	**5,977**	**49**	**6,026**

Recognition and measurement

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

15. INTANGIBLE ASSETS

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Patents and Licenses - at cost	**150**	150
Less: impairment	**(150)**	-
	-	150
Websites and Databases - at cost	**3,686**	3,686
Less: Accumulated amortisation and impairment	**(3,686)**	(3,686)
	-	-
Goodwill - at cost	**5,250**	5,250
Accumulated amortisation and impairment	**(650)**	(650)
	4,600	4,600
	4,600	4,750

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 $'000	Websites and Databases $'000	Patents and Licenses $'000	Total $'000
Balance at 01 July 2017	4,600	119	150	4,869
Amortisation expense	-	(119)	-	(119)
Balance at 30 June 2018	4,600	-	150	4,750
Impairment expense	-	-	(150)	(150)
Balance at 30 June 2019	4,600	-	-	4,600

Recognition and measurement

Intangible assets, other than goodwill, have finite useful lives. 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.

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.

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 as an indefinite life asset, 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 3 years, on a straight line basis.

Impairment Disclosure

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

	Goodwill	Growth Rate		Discount Rate	
Beyond D business	1,152,761	3%	(2018: 3%)	15%	(2018: 15%)
Beyond Home Entertainment business	1,922,094	0%	(2018: 0%)	15%	(2018: 15%)
Beyond Productions business	1,525,145	5%	(2018: 5%)	10%	(2018: 10%)

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

15. INTANGIBLE ASSETS (Continued)

Sensitivity - Beyond Home Entertainment Division
As disclosed in Note 3 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 based on a discounted cash flow over 5 years:

a. If the growth rate decreased by up to 2% (i.e. from 0% to -2% or lower), with all other assumptions remaining constant, impairment of goodwill would still not be required.
b. If the discount rate increased by more than 4% (i.e. from 15% to 19%) , 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 Beyond Home Entertainment 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 an impairment of the Beyond Home Entertainment division goodwill.

16. TRADE AND OTHER PAYABLES

	Consolidated Entity	
	2019	**2018**
	$000's	**$000's**
Current (unsecured)		
Trade payables	**2,354**	2,365
Other creditors and accruals	**4,049**	4,049
	6,403	6,414

Recognition and measurement
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.

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 31.

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

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

		Ownership interest	
		2019	**2018**
Name	**Principal place of business / Country of incorporation**	**%**	**%**
7Beyond Media Rights Ltd	United States of America / Ireland	49.02%	50%

Summarised financial information	7Beyond Media Rights Ltd	
	2019	**2018**
	$000's	**$000's**
Summarised statement of financial position		
Cash and cash equivalents	**426**	401
Other current assets	**1,612**	465
Non-current assets	**491**	505
Total assets	**2,529**	1,371
Other current liabilities	**841**	540
Non-current liabilities	**58**	3
Total liabilities	**899**	543
Net assets	**1,630**	828
Summarised statement of profit or loss and other comprehensive income		
Revenue	**14,542**	9,671
Production costs	**(11,647)**	(9,595)
Administration costs	**(170)**	(193)
Net foreign exchange (loss)/gain	**(175)**	115
Profit/ (loss) before income tax	**2,550**	(2)
Income tax (expense)/benefit	**(340)**	22
Profit after income tax	**2,210**	20
Total comprehensive income	**2,210**	20

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

	Consolidated Entity	
	2019	**2018**
	$000's	**$000's**
Reconciliation of the consolidated entity's carrying amount		
Opening carrying amount	**414**	313
(Proceeds from)/funds advanced to joint venture/associates	**(705)**	91
Share of profit after income tax	**1,105**	10
Closing carrying amount	**814**	414

Contingent liabilities

There are no contingent liabilities provided for.

Commitments

There are no outstanding commitments at reporting date.

Recognition and measurement

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. Associates are entities over which the consolidated entity has significant influence but not control or joint control.
Investments in joint ventures and associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture or associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures and associates 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 or associate. Goodwill relating to the joint venture or associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities and associates reduces the carrying amount of the investment. When the consolidated entity's share of losses in a joint venture or an associate equals or exceeds its investment, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

During the financial year the Consolidated Entity relinquished joint control of 7Beyond Media Rights Ltd by reducing its equity interests from 50% to 49%. As the Consolidated Entity has retained significant influence over the investment, the Consolidated Entity has continued to account for the investment using the equity method and does not remeasure the retained interest.

18. EMPLOYEE BENEFITS

	Consolidated Entity	
	2019	**2018**
	$000's	**$000's**
Current		
Provision for annual leave and long service leave	**3,749**	3,691
	3,749	3,691
Non-current		
Provision for long service leave	**227**	218
	227	218
Total employee benefits	**3,976**	3,909
Annual leave obligations accounted for as current and expected to be settled after 12 months	**722**	660
	722	660

Recognition and measurement

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.

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.

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.

19. OTHER FINANCIAL LIABILITIES

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Current	**2,058**	2,399
Non-current	**-**	600
Total other financial liabilities	**2,058**	2,999

In 2016 a 100% owned special purpose entity, HL Beyond Limited, took out a limited recourse facility to fund production on The White Rabbit Project. As at 30 June 2019, the facility drawn down was $1,263,000 (2018: $2,999,000) 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.

In 2018 a 51% owned special purpose entity, Dumbots S01 Pty Ltd, took out a limited recourse facility to fund production on Dumbots. The facility is secured by the Post Digital and Visual Effects offset receivable. As at 30 June, the facility drawn down was $795,000 (2018 : nil).

Recognition and measurement

Amounts were originally recognised at the fair value of the consideration received. They are subsequently measured at amortised cost using the effective interest method with the liability reduced when amounts are received from the debtor.

20. OTHER LIABILITIES

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Current		
Unsecured liabilities		
Deferred revenue	**8,069**	6,830
GST payable	**49**	90
Producer share payable	**10,308**	13,132
Other	**79**	119
	18,505	20,171
Non-current		
Unsecured liabilities		
Producer share payable	**521**	155
	521	155

Recognition and measurement

The Producers Share Payable balance represents liabilities for the amounts due to producers contracted under licensing and distribution sales, which are paid on collection of the revenue receivable.

21. LEASE LIABILITIES

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Current	**1,571**	-
Non-current	**4,724**	-
Total lease liabilities	**6,295**	-

	Less than 6 months $000's	6 months to 1 year $000's	1 to 5 years $000's	5+ years $000's	Total $000's
Lease payments	987	955	5,100	170	7,212
Finance charges	(199)	(173)	(541)	(6)	(919)
Net present values	**788**	**782**	**4,559**	**164**	**6,293**

Recognition and measurement

The lease liability is initially measured at the present value of fixed lease payments that are not yet paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Variable lease payments are only included in measuring the lease liability if they depend on a rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

Subsequently, the lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in the market rate.

22. BORROWINGS

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Current		
Secured liabilities		
Loan - St George & Macquarie Bank	**67**	1,837

Recognition and measurement

Borrowings are initially valued at fair value of the consideration received net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The Company was in breach of covenants associated with the interest cover ratio and minimum capital ratio. Note that the bank has subsequently waived the breaches.

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.

23. ISSUED CAPITAL

	Consolidated Entity	
	2019 $000's	2018 $000's
(a) Share Capital		
61,336,968 ordinary shares - fully paid (2018: 61,336,968)	**34,018**	34,018

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 29).

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 29).

24. RESERVES

Employee Share Plan Benefit Reserve
The employee share plan benefit reserve records items recognised as expenses on valuation of employee share options.

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).

25. NON-CONTROLLING INTEREST

	Consolidated Entity	
	2019 $000's	2018 $000's
Interest in:		
Accumulated profits/(losses)	**34**	(334)
	34	(334)

26. DIVIDENDS

	Consolidated Entity	
	2019 $000's	2018 $000's
No dividend was paid or declared during the year ended 30 June 2019 (2018: nil)		
Net franking credits available based on a tax rate of 30% (2018: 30%)	**446**	446

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

27. CONTINGENT ASSETS AND LIABILITIES

The consolidated entity had no contingent assets as at 30 June 2019 (2018: nil).

The consolidated entity has given bank guarantees as at 30 June 2019 of $895,000 (2018: $579,416) to various landlords.

28. COMMITMENTS

(i) OPERATING LEASE PAYABLE COMMITMENTS

	Consolidated Entity 2019 $000's	Consolidated Entity 2018 $000's
Total lease expenditure contracted at reporting date but not recognised in the financial statements:		
Payable no later than one year	**-**	1,819
Payable later than one, not later than five years	**-**	3,555
	-	5,374

Leases now fall under AASB 16 and are presented in Note 21. Operating leases in the comparative period reflect lease disclosure under AASB 117. In the current year the Group has no short-term lease commitments. 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:

	2019 $000's	2018 $000's
Not later than one year		
Distribution Guarantee	**293**	551
Home Entertainment Advances	**541**	757
Later than one year but not later than five years		
Distribution Guarantee	**-**	138
Home Entertainment Advances	**234**	290
	1,068	1,736

The above commitments to pay distribution guarantees have been entered into in the normal course of business.

29. 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:

(a) 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

(b) 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 21 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 2019.

- On 7 December 2009, 300,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and it's controlled entities. 200,000 of these shares remain redeemable at 30 June 2019.

- On 11 March 2010, 1,325,000 shares were issued under the Employee Plan to eligible employees and Directors of Beyond International Limited and it's controlled entities. 725,000 of these shares remain redeemable at 30 June 2019.

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 23(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:

i) transfer the Plan Shares for the issue price to a person nominated by the Company; or
ii) 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	1,525,000	
Redemption of shares under the employee share plan	-	-
Exercisable at year end	1,525,000	-

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

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%

29. SHARE BASED PAYMENTS (Continued)

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.

30. GROUP STRUCTURE

(a) Controlled entities consolidated

Name of entity	Country of formation or incorporation	Beyond International Ltd direct interest in ordinary shares	
		2019 %	2018 %
Ultimate parent entity			
Beyond International Ltd	Australia		
Controlled entities of Beyond International Ltd:			
Beyond Films Ltd	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 Ltd	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	100
Clandestine Beyond Pty Ltd	Australia	51	51
Blue Rocket Beyond Pty Ltd	Australia	51	51
Beyond Lone Hand Pty Ltd	Australia	51	-
Controlled entities of Liberty & Beyond Pty Ltd:			
Liberty & Beyond Productions Pty Ltd	Australia	100	100
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

30. GROUP STRUCTURE (Continued)

	Country of formation or incorporation	Beyond International Ltd direct interest in ordinary shares	
		2019 %	2018 %
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 Ltd			
Beyond Entertainment Ltd	Ireland	100	100
Beyond Rights Distribution Ltd (formerly Beyond Films Ltd)	Ireland	100	100
Controlled entity of Beyond Rights Distribution Ltd			
HL Beyond Ltd	Ireland	100	100
Controlled entities of Beyond Entertainment Ltd			
Beyond International Services Ltd	United Kingdom	100	-
Controlled entities of Beyond Distribution Pty Ltd			
Beyond TV Properties Bermuda	Bermuda	100	100
Controlled entities of Beyond Films Ltd			
Beyond Film Properties Bermuda	Bermuda	100	100
Controlled entities of Beyond Home Entertainment Pty Ltd			
Magna Home Entertainment Pty Ltd	Australia	100	100
Controlled entities of Magna Home Entertainment Pty Ltd			
Magna Home Entertainment (NZ) Ltd	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 Ltd	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	100
Controlled entities of Clandestine Beyond Pty Ltd			
Pulse Productions S01 Pty Ltd	Australia	100	100
Controlled entities of Blue Rocket Beyond Pty Ltd			
Dumbots S01 Pty Ltd	Australia	100	100

30. GROUP STRUCTURE (Continued)

	Country of formation or incorporation	Beyond International Limited direct interest in ordinary shares	
		2019 %	2018 %
Controlled entities of Beyond Lone Hand Pty Ltd			
Halifax Retribution Production 1 Pty Ltd	Australia	100	-
(b) Joint venture/associates			
7Beyond Media Rights Ltd	Ireland	49.02	50
(c) Associates			
Melodia Ltd	Ireland	33.3	33.3
Melodia (Australia) Pty Ltd	Australia	33.3	33.3
GB Media Development, Inc.	USA	10	10

31. FINANCIAL RISK MANAGEMENT

(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 2018.

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 8(b) and 22.

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 31 (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.

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:

	2019		2018	
	Financial Assets $000's	Financial Liabilities $000's	Financial Assets $000's	Financial Liabilities $000's
Consolidated Entity				
US Dollars	**9,101**	**(1,562)**	32,376	(1,704)
Euro	**1,972**	**(51)**	4,464	(366)
Great British Pound	**3,004**	**(228)**	2,151	(8)
New Zealand Dollars	**219**	**(212)**	(129)	(41)
Other	**41**	**(40)**	(138)	(15)
	14,337	**(2,093)**	38,724	(2,134)

31. FINANCIAL RISK MANAGEMENT (Continued)

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.

	2019		2018	
	10% increase	**10% decrease**	**10% increase**	**10% decrease**
	$000's	**$000's**	**$000's**	**$000's**
Consolidated Entity				
Profit/(loss)	**(1,494)**	**1,826**	(3,984)	4,824
	(1,494)	**1,826**	(3,984)	4,824

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 2019**	**Principal Amount 2019**	**Average Exchange Rate 2018**	**Principal Amount 2018**
Outstanding Contracts		**$000's**		**$000's**
Sell USD				
Less than 3 months	**0.0000**	**-**	0.7767	2,550
3 to 6 months	**0.0000**	**-**	0.7936	414
		-		2,964

Gains or Losses from forward exchange contracts

(iv) Interest Rate Risk Management

The Consolidated Entity's exposure to interest rate risk is minimal.

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.

The average effective interest rate on cash at bank was 1.68% (2018: 8.05%)
The average effective interest rate on borrowings was 3.53% (2018: 2.51%)

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 move by $27,380 (2018: $21,580).
Consolidated Entity would move by $4,049 (: $23,260).

(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 8(b) is a listing of additional undrawn facilities that the Consolidated Entity has at its disposal to further reduce liquidity risk.

31. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity and interest risk tables

The following tables detail the Consolidated Entity's remaining contractual maturity for it's 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
2019								
Financial liabilities								
Trade & other payables	16	-	6,403	-	-	-	6,403	6,403
Other financial liabilities	19	-	1,029	1,029	-		2,058	2,058
Lease liabilities	21	6.41%	987	955	5,100	170	7,212	7,212
Producer share payable	20	-	5,154	5,154	521	-	10,829	10,829
Other payables	20	-	128	-	-	-	128	128
Borrowings	22	2.06%	67	-	-	-	67	67
Total financial liabilities			13,769	7,138	5,621	170	26,699	26,699
2018								
Financial liabilities								
Trade & other payables	16	-	6,414	-	-	-	6,414	6,414
Financial derivatives	12	-	161	-	-	-	161	161
Other financial liabilities	19	-	1,200	1,200	600		2,999	2,999
Producer share payable	20	-	6,566	6,566	155	-	13,287	13,287
Other payables	20	-	209	-	-	-	209	209
Borrowings	22	2.51%	-	1,837	-	-	1,837	1,837
Total financial liabilities			14,550	9,602	754	-	24,907	24,907

(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.

31. FINANCIAL RISK MANAGEMENT (Continued)

(ix) Fair Value of Financial Instruments

The 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% (2018: 8%) has been applied to all non-current receivables & payables to determine fair value.

The 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 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		Fair Value	
	2019 $000's	2018 $000's	2019 $000's	2018 $000's
Financial assets				
Cash and cash equivalents	**5,172**	7,256	**5,172**	7,256
Loans and receivables	**26,155**	29,614	**25,908**	29,479
	31,327	36,870	**31,080**	36,735
Financial liabilities, at amortised cost				
Trade and other payables	**6,403**	6,414	**6,403**	6,414
Other payables	**128**	209	**128**	209
Financial derivatives	**-**	161	**-**	161
Producer share payable	**10,829**	13,287	**10,791**	13,275
	17,360	20,071	**17,322**	20,060

32. 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 Ltd
T McGee	General Manager - Business Development (Resigned 28 June 2019)	Beyond Television Group Pty Ltd
M Murphy	General Manager - Distribution	Beyond Entertainment Ltd
P Wylie	General Manager - Finance & Company Secretary	Beyond Television Group Pty Ltd
P Tehan	General Manager - Legal & Business Affairs	Beyond Television Group Pty Ltd
P Maddison	General Manager - Home Entertainment	Beyond Home Entertainment Pty Ltd
J Ward	General Manager - Beyond D	Beyond D Pty Ltd

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

32. KEY MANAGEMENT PERSONNEL COMPENSATION (Continued)

(i) REMUNERATION

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

	Consolidated Entity 2019 $	Consolidated Entity 2018 $
Short-term employee benefits	**3,817,190**	3,648,262
Post-employment benefits	**171,576**	167,582
Long-term benefits	**10,709**	99,241
Termination benefits	**152,344**	-
	4,151,819	3,915,086

(ii) SHAREHOLDINGS

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

2019

Parent Entity Directors	Balance 1.07.18	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.19
M Borglund	3,150,949	-	-	-	3,150,949
I Ingram	19,487,059	-	-	-	19,487,059
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	28,223,005	-	-	-	28,223,005

Specified Executives	Balance 1.07.18	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.19
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	-	-	-	475,478

2018

Parent Entity Directors	Balance 1.07.17	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.18
M Borglund	3,150,949	-	-	-	3,150,949
I Ingram	19,310,278	-	-	176,781	19,487,059
A Lee	5,474,997	-	-	-	5,474,997
I Robertson	110,000	-	-	-	110,000
Total	28,046,224	-	-	176,781	28,223,005

Specified Executives	Balance 1.07.17	Received as Remuneration	Options Exercised	Net Change Other *	Balance 30.06.18
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	-	-	-	475,478

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

33. 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 30.

(ii) KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in note 32 and the remuneration report in the directors' report.

Loans to key management personnel
There were no outstanding loans as at 30 June 2019 or at any point during the year (2018: 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	
		2019 Number	2018 Number
Acquisitions	Ordinary shares	**-**	176,781
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:

Issuing entity	*Class of equity instruments*	Number	
Beyond International Ltd	Ordinary shares	**28,223,005**	28,223,005
	Options over ordinary shares	**-**	-

(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.

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 32 and the Directors Report.

Beyond Entertainment Ltd, a subsidiary of the parent company, holds 49.02% of the shares in 7Beyond Media Rights Ltd (refer to note 17). At 30 June 2019 Beyond Entertainment Ltd had an asset of $814,803 (2018: $414,651) owed by 7Beyond Media Rights Ltd. This asset relates to funding provided for operating costs in 7Beyond Media Rights Ltd and has been disclosed in Note 17. Beyond Productions Inc, another subsidiary of the parent company, had an amount receivable of $33,781 compared to (2018: $130,390) owing to 7Beyond Media Rights Ltd at 30 June 2019. This amount relates to production services provided by Beyond Productions Inc on behalf of 7Beyond Media Rights Ltd and has been included in Receivables (note 9). Beyond Entertainment Ltd charged 7Beyond Media Rights Ltd a management fee of $49,533 (2018: $129,363) for the provision of accounting and administration services. The management fee has been disclosed within Other income in note 5(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.

34. PARENT ENTITY

The following information relates to the parent entity Beyond International Ltd. The information presented has been prepared using accounting policies that are consistent with those of the Consolidated Entity.

	Parent Entity	
	2019	2018
Statement of financial position	$000's	$000's
Current assets	**1,892**	1,640
Non-current assets	**38,599**	51,698
Total assets	**40,491**	53,338
Current liabilities	**665**	2,270
Non-current liabilities	**28,116**	29,834
Total liabilities	**28,781**	32,104
Contributed equity	**34,018**	34,018
Reserves	**341**	341
Accumulated losses	**(22,649)**	(13,125)
Total equity	**11,710**	21,233
Total comprehensive income for the year	**(4,062)**	296

Accumulated losses have an opening balance restatement from the introduction of AASB 16 of ($29,640) and AASB 9 of $5,490,950.

Contingent Assets and Liabilities

The parent entity has given a bank guarantee as at 30 June 2019 of $895,000 (2018: $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	**-**	718
Payable later than one, not later than five years	**-**	3,132
	-	3,850

35. SUBSEQUENT EVENTS

Subsequent to 30 June 2019, the Group received a waiver in relation to breaches to its banking covenants.

The Group secured funding of $7,471,000 from Comerica Bank to finance production of Halifax Retribution. The production facility is secured against Australian tax credits, Government grants and rest of world distribution receipts relating to the program. The Nine Network retains the rights for Australia and New Zealand.

There was no final dividend declared as detailed in Note 26.

36. COMPANY DETAILS

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

Beyond International Ltd
109 Reserve Rd
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 comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

• the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in the financial statements;

• the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2019 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 August 2019
Sydney

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Beyond International Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Beyond International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

Revenue recognition

Key audit matter	*How the matter was addressed in our audit*
As disclosed in note 3, the Group adopted AASB 15: Revenue from Contracts with Customers during the financial year. The implementation and application of AASB 15 in relation to the Group's production and licensing contracts is subject to judgement in respect to the identification of separate performance obligations and recognition of revenue at either a point in time or over time. Due to these factors and the overall significance of revenue to the Group, we considered this area a key audit matter.	To determine whether revenue was appropriately accounted for and disclosed within the financial statements, we undertook, amongst others, the following audit procedures: • Critically evaluated the revenue recognition policies for all material sources of revenue and from our detailed testing performed, ensured that revenue was being recognised appropriately, in line with Australian Accounting Standards and policies disclosed within the financial statements. This included ensuring that revenue was recognised in accordance with the requirements of AASB 15: Revenue from Contracts with Customers. • Selected a sample of revenue items from all significant revenue streams, agreeing revenue recognised to supporting documentation to confirm the existence and accuracy of the revenue recognised and to consider whether the transactions were recorded in the correct period. • Evaluated and assessed the adequacy of the financial statement disclosures pertaining to the application of AASB 15.

Valuation of other assets

Key audit matter	*How the matter was addressed in our audit*
As at 30 June 2019, the Group recognised other assets of $19,583,000 which includes capitalised production costs of $8,826,000, prepaid royalties of $2,987,000, capitalised development costs of $1,741,000, distribution advances of $3,497,000 and investments in 3rd party copyright of $1,299,000 as disclosed in note 11. Due to the judgements applied by Management in forecasting future sales to support the carrying value of these assets along with the significance	Our procedures for assessing the carrying value of the Group's other assets included, but were not limited to, the following: • Performing a detailed analysis of the costs capitalised during the period in relation to specific titles, including an assessment of the inputs and estimates applied. • Assessing the recoverability of these assets through a review of

of the balance in the Consolidated Statement of Financial Position, we considered this area to be a key audit matter.	Management's forecast sales projections in comparison to historical sales performance of specific titles and current licensing terms in place with third party distributors. • Performing detailed testing in respect to licensing and production contracts to validate actual sales incurred to date. • Assessing whether the recognition, recoupment and write-down of these assets was in accordance with Australian Accounting Standards.

Carrying value of goodwill associated with the Beyond Home Entertainment cash generating unit ('CGU')

Key audit matter	*How the matter was addressed in our audit*
As disclosed in note 15, the Group held intangible assets of $4,600,000, which included goodwill of $1,922,094 as at 30 June 2019 in respect to the Beyond Home Entertainment CGU. Due to the financial performance of this CGU and the judgements applied by Management in determining the recoverable value of the CGU, which included considering the future performance of the business and the discount rate applied to future cash flows, we considered this area to be a key audit matter.	In assessing the carrying value of the Beyond Home Entertainment CGU we undertook, amongst others, the following audit procedures: • Evaluated the discounted cash flow model prepared by Management and challenged the assumptions and judgements made. This included considering the reliability of the CGU's cash flow forecasts with reference to our understanding of the business and the CGU's historical performance and assessing the assumptions regarding maintaining current revenues and reductions in operating costs. • Together with BDO valuation specialists, assessed the reasonableness of the discount rate applied by Management. • Performed sensitivity analysis on the key inputs applied to the discounted cash flow model to assess the impact minor changes in the assumptions would make to the carrying value of the CGU.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' Report (excluding the audited Remuneration Report section) for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report to Shareholders (including the Chairman's Report, Managing Director's Report and Corporate Governance Statement), which is expected to be made available to us after that date.

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

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

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

When we read the Annual Report to Shareholders (including the Chairman's Report, Managing Director's Report and Corporate Governance Statement), if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report under the heading 'Remuneration Report' for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Beyond International Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

BDO

Martin Coyle
Partner

Sydney, 30 August 2019