

**Broad Investments Limited**  
**ABN: 91 087 813 090**

**PRELIMINARY FINAL REPORT**  
**Year Ended 30 June 2013**

**Appendix 4E**

**(Previous corresponding period: Year Ended 30 June 2012)**

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**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**Results for Announcement to the Market**  
for the year ended 30 June 2013

Name of entity

**BROAD INVESTMENTS LIMITED**

ACN

**087 813 090**

\$A'000

Revenues from ordinary activities	Up	12%	to	3,024
Profit / (loss) from ordinary activities after tax attributable to members	Up	13%	to	(1,305)
Net profit / (loss) for the period attributable to members	Up	13%	to	(1,305)
<b>Dividends</b>				
	<b>Amount per security</b>		<b>Franked amount per security</b>	
Final dividend	Nil ¢		Nil ¢	
Previous corresponding period	Nil ¢		Nil ¢	
<b>NTA Backing</b>				
	<b>Current Year</b>		<b>Previous Year</b>	
Net tangible asset-backing per ordinary share (cents)	(0.06)		(0.12)	
Record date for determining entitlements to the dividend:	Not Applicable			
	The annual meeting will be held as follows:			
	Place	To be advised		
	Date	To be advised		
	Time	To be advised		
	Approximate date the annual report will be available	To be advised		

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**COMMENTARY ON 2013 RESULTS**

The loss of the consolidated entity for the year ended 30 June 2013, after providing for income tax amounted to \$1,304,698 (2012: \$1,152,220).

The principal activity of the Group was a provisioning services business, servicing the communications and ICT market via its subsidiary Mirrus Holdings Pty Limited.

**Compliance statement**

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



Date: 30 August 2013

Vaz Hovanesian  
(Executive Chairman)

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

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**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**DIRECTORS' REPORT**

The directors present their report, together with the financial statements of the Group, being Broad Investments Limited and its controlled entities, for the financial year ended 30 June 2013.

**PRINCIPAL ACTIVITY AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES**

The principal activity of the Group was a provisioning services business, servicing the communications and ICT market via its subsidiary Mirrus Holdings Pty Limited.

There were no significant changes in the nature of the consolidated groups principal activities during the financial year.

**OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR**

**Operating Results**

The consolidated loss of the consolidated group amounted to \$1,304,698 (2012: \$1,152,220), after providing for income tax. This represented a 13% increase on the loss reported for the year ended 30 June 2012. The increase in the loss was largely due to:

- Impairment of loans receivable of \$393,627
- Impairment of Mirrus Managed Services goodwill of \$450,000
- Impairment of Unified Business Communications Group Pty Ltd goodwill of \$135,569
- Amortisation of Unified Business Communications Group Pty Ltd client lists of \$163,707
- Impairment of financial assets of \$158,562

**Review of Operations**

The Groups principal activity of a provisioning services business reported a loss of \$125,873 (2012 loss: \$284,738) after eliminations. Group revenue from ordinary activities increased by 12% on the previous financial year to \$3,023,709 (2012: \$2,707,946).

**BROAD INVESTMENTS LIMITED**  
& CONTROLLED ENTITIES

**DIRECTORS' REPORT (cont.)**

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

**Financial Position**

The net assets of the consolidated group have decreased by \$718,868 from 30 June 2012 to a net liability of \$564,667 in 2013. This decrease in net assets is largely due to:

- A reduction in financial assets available for sale of \$168,761
- A reduction in trade and other receivables of \$276,171
- A decrease in intangibles of \$899,276

The Group's working capital, being current assets less current liabilities, has decreased from (\$118,705) in 2012 to (\$568,079) in 2013.

The net cash outflow from operating activities for the year ended 30 June 2013 was \$38,741 (2012 net cash operating outflow \$319,285).

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

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

**(i) Changes to Capital**

Up to the end of 30 June 2013 the following issues were made as detailed below.

Ordinary shares	2013		2012	
	No.	\$	No.	\$
<b>Issue of Shares in 2012:</b>				
Shares issued for acquisition of business	-	-	85,000,000	170,000
<b>Issue of Shares in 2013:</b>				
Shares issued to repay debt	215,625,000	357,000	-	-
Share issue costs	-	(33,837)	-	(1,797)
<b>Total number of Shares issued</b>	<b>215,625,000</b>	<b>323,163</b>	<b>85,000,000</b>	<b>168,203</b>
<b>Convertible notes</b>				
<b>Issue of Convertible notes in 2013:</b>				
Convertible Shares issued to repay debt	168,000,000	336,000	-	-
<b>Total number of Shares issued</b>	<b>168,000,000</b>	<b>336,000</b>	<b>-</b>	<b>-</b>

**DIVIDENDS**

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year. (30 June 2012: Nil).

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**EVENTS AFTER THE REPORTING PERIOD**

No material events have occurred subsequent to balance date.

**FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES**

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

**ENVIRONMENTAL ISSUES**

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

**INFORMATION ON DIRECTORS**

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

*Executive Chairman*

Mr Vaz Hovanessian

*Non-executive Directors*

Mr Neil Gibson

Mr Johannes Scholtz

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**INFORMATION ON DIRECTORS (cont.)**

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

Name and qualifications	Age	Experience and special responsibilities
Vaz Hovanesian B.Bus., M.App.Fin, CPA, FCSA.	58	<p>Executive Chairman, Company Secretary, Chief Executive and Chief Financial Officer. Member of the Audit committee. Over 30 years' experience in corporate and financial services and/or public company directorships. A successful businessman, with extensive interests in finance, property and tourism. Appointed on 30 December 2003.</p> <p><i>Other current listed company directorships</i></p> <p>Executive Chairman of Strathfield Group Limited (appointed 12 December 2008)</p> <p><i>Former listed company directorships in the last 3 years</i></p> <p>Executive Director of Rico Resources Limited (appointed 25 September 1996; resigned 31 March 2011)</p>
Neil Gibson	71	<p>Non-executive Director. Mr. Gibson is an accountant with varied experience in business including company secretarial, stock broking, rural properties and hotels and 16 years in communications services business in Queensland, Northern Territory and country New South Wales. Appointed 22 September 2006.</p> <p><i>Other current listed company directorships</i></p> <p>Non-executive Director of Strathfield Group Limited (appointed 1 December 2010)</p> <p><i>Former listed company directorships in the last 3 years</i></p> <p>Chairman of Australian Property Systems Limited (appointed 27 November 2009; resigned 1 July 2011)</p>
Johannes Scholtz B. Commerce	49	<p>Non-executive Director and Chairman of the Audit Committee. Has over 20 years' experience in senior level management in Australia, New Zealand &amp; South Africa, in the manufacturing and steel industries, including Corporate finance roles and turnarounds of small companies. Appointed 30 May 2005.</p>

**COMPANY SECRETARY**

The company secretary is Mr Vaz Hovanesian. Mr Hovanesian was appointed as company secretary on 30 December 2003. Before joining Broad Investments Limited he held similar positions with other listed public companies.

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**MEETINGS OF DIRECTORS**

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2013 and the numbers of meetings attended by each director were:

	Board of Directors		Audit Committee	
	Meetings Eligible To Attend	Meetings Attended	Meetings Eligible To Attend	Meetings Attended
Vaz Hovanesian	11	11	1	1
Neil Gibson	11	10	-	-
Johannes Scholtz	11	9	1	1

**OPTIONS**

At the date of this report, there are no unissued ordinary shares of Broad Investments Limited under option.

No shares were issued on the exercise of options during the year ended 30 June 2013.

**INDEMNIFYING OFFICERS OR AUDITOR**

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

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

**PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**REMUNERATION REPORT**

**(a) Remuneration policy**

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

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

**(b) Directors' & executives' remuneration**

*Directors' fees*

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

The following limits in Directors' fees have applied:

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

*Executive pay*

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

The combination of these comprises the executive total remuneration. For the year ended 30 June 2012 and 30 June 2013, remuneration was fixed base for directors.

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

*Amounts of remuneration*

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

Michael Saliba	General Manager – Mirrus Managed Services (resigned 9 November 2012)
Andrew Bray	Director – Unified Business Communications Group Ltd

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**REMUNERATION REPORT (cont.)**

**(b) Directors' & executive's remuneration (cont.)**

2013	Short-term employee benefits			TOTAL
	Cash salary and fees	Cash bonus	Super-annuation	
<b>Executive Director</b>				
<b>Current</b>				
Vaz Hovanesian	240,000	-	-	240,000
<b>Non-Executive Directors</b>				
<b>Current</b>				
Johannes Scholtz	20,000	-	-	20,000
Neil Gibson	20,000	-	-	20,000
<b>Total paid to Directors</b>	<b>280,000</b>	<b>-</b>	<b>-</b>	<b>280,000</b>
<b>Executives</b>				
<b>Current</b>				
Andrew Bray	80,000	-	-	80,000
<b>Former</b>				
Michael Saliba	71,750	-	4,457	76,207
<b>Total paid to Executives</b>	<b>151,750</b>	<b>-</b>	<b>4,457</b>	<b>156,207</b>
<b>Total paid</b>	<b>431,750</b>	<b>-</b>	<b>4,457</b>	<b>436,207</b>

2012	Short-term employee benefits			TOTAL
	Cash salary and fees	Cash bonus	Super-annuation	
<b>Executive Director</b>				
<b>Current</b>				
Vaz Hovanesian	240,000	-	-	240,000
<b>Non-Executive Directors</b>				
<b>Current</b>				
Johannes Scholtz	20,000	-	-	20,000
Neil Gibson	20,000	-	-	20,000
<b>Total paid to Directors</b>	<b>280,000</b>	<b>-</b>	<b>-</b>	<b>280,000</b>
<b>Executives</b>				
<b>Current</b>				
Andrew Bray (commenced 21 December 2011)	48,117	-	-	48,117
<b>Former</b>				
Michael Saliba	137,615	-	12,385	150,000
<b>Total paid to Executives</b>	<b>185,732</b>	<b>-</b>	<b>12,385</b>	<b>198,117</b>
<b>Total paid</b>	<b>465,732</b>	<b>-</b>	<b>12,385</b>	<b>478,117</b>

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**REMUNERATION REPORT (cont.)**

**(b) Directors' & executive's remuneration (cont.)**

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

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

**Other Key Management Personnel:**

Name	Fixed remuneration		At risk - STI	
	2013	2012	2013	2012
<b>Current</b>				
Michael Saliba	100%	100%	0%	0%
Andrew Bray	100%	100%	0%	0%

**(c) Service agreements**

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

The former key management personnel had a formalised service agreement which is detailed below:

Michael Saliba, *General Manager – Mirrus Managed Services (Resigned 9 November 2012)*

- Term of agreement – on-going commencing 1<sup>st</sup> July 2008
- Base salary, inclusive of superannuation, of \$150,000. Subject to meeting overall performance targets of customer satisfaction, profit contribution, operational improvements and sales targets an annual bonus of up to \$30,000 is eligible payable in shares or cash in Broad Investments Limited. An additional bonus (capped at \$120,000) is eligible if performance targets are exceeded. No bonus was payable for performance during 2012/2013 (2012: \$0).
- The agreement may be terminated by either party with one month's notice, plus two weeks for each full year of employment beyond two years, other than for misconduct, in which case it may be immediate.

**(d) Directors' Interests**

Directors are not required under the Company's constitution to hold any shares.

As at the date of this report, the Directors of Broad Investments Ltd have the following interests in shares and options issued:

	Shares		Options	
	Direct	Indirect	Direct	Indirect
Neil Gibson	8,750,000	Nil	Nil	Nil
Vaz Hovanesian	Nil	2,469,752	Nil	Nil
Johan Scholtz	15,800,000	Nil	Nil	Nil

The indirect interest of Mr Hovanesian is held through an associated company, Raxigi Pty Limited.

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**DIRECTORS' REPORT (cont.)**

**NON-AUDIT SERVICES**

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

However, for the financial year ended at 30 June 2013 there were no amounts paid or payable to the auditor (Crowe Horwath Sydney) for non-audit services.

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

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Crowe Horwath Sydney:		
- Audit and review of financial reports	90,000	105,750
<b>TOTAL REMUNERATION FOR AUDIT SERVICES</b>	<b>90,000</b>	<b>105,750</b>

**AUDITOR'S INDEPENDENCE DECLARATION**

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

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



Vaz Hovanessian  
Executive Chairman

Sydney  
30 August 2013

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2013**

		Consolidated	
	Note	2013 \$	2012 \$
Sales revenue	3	3,017,255	2,520,740
Net realised gain on short-term investments	3	4,395	-
Other revenue	3	2,059	187,206
<b>Total revenue from continuing operations</b>	<b>3</b>	<b>3,023,709</b>	<b>2,707,946</b>
Less:			
Cost of sales	5	(1,894,333)	(1,619,506)
<b>Gross profit</b>		<b>1,129,376</b>	<b>1,088,440</b>
Employee benefits expense		(532,909)	(602,107)
General & administrative expenses		(932,003)	(933,043)
Net bad & doubtful debts	5	(357,376)	(175,349)
Finance costs	5	(80,568)	(40,142)
Depreciation & amortisation expenses	5	(319,913)	(263,580)
Impairment of current assets	5	(177,996)	(76,393)
Impairment of non-current assets	5	(585,569)	(125,000)
Loss on disposal of non-current assets	5	(507)	(10,193)
Net realised gain / (loss) on short-term investments	5	-	(14,853)
Reversal of expenses and loans no longer payable	5	552,767	-
<b>Total expenses from ordinary activities</b>		<b>(2,434,074)</b>	<b>(2,240,660)</b>
<b>Profit / (loss) before income tax expense</b>		<b>(1,304,698)</b>	<b>(1,152,220)</b>
Income tax expense	6	-	-
<b>Profit / (loss) from continuing operations</b>		<b>(1,304,698)</b>	<b>(1,152,220)</b>
Profit / (loss) from discontinued operations after tax	21	-	-
<b>Net profit / (loss) for the period</b>	<b>20(b)</b>	<b>(1,304,698)</b>	<b>(1,152,220)</b>
<b>Other comprehensive income</b>			
Net change in fair value of available for sale financial assets		(33,333)	(75,500)
<b>Total comprehensive income / (loss) for the period net of tax</b>		<b>(1,338,031)</b>	<b>(1,227,720)</b>
<b>Profit / (loss) attributable to:</b>			
<b>Members of the parent entity</b>	<b>20(b)</b>	<b>(1,304,698)</b>	<b>(1,152,220)</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
<b>Members of the parent entity</b>		<b>(1,338,031)</b>	<b>(1,227,720)</b>
<b>Earnings per share from continuing and discontinued operations of the company</b>			
Basic loss per share (cents)	7	(0.18)	(0.19)
Diluted loss per share (cents)	7	(0.18)	(0.19)
<b>Earnings per share from continuing operations of the company</b>			
Basic loss per share (cents)	7	(0.18)	(0.19)
Diluted loss per share (cents)	7	(0.18)	(0.19)

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2013**

		Consolidated	
	Note	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	9	284,029	233,843
Trade and other receivables	10	372,442	648,613
Inventories	11	16,634	45,548
Financial assets at fair value through profit or loss	12	1,232	5,376
Financial assets available for sale	13	74,579	243,340
<b>Total current assets</b>		<b>748,916</b>	<b>1,176,720</b>
<b>Non-current assets</b>			
Plant and equipment	14	43,412	46,382
Intangible assets	15	-	899,276
<b>Total non-current assets</b>		<b>43,412</b>	<b>945,658</b>
<b>Total assets</b>		<b>792,328</b>	<b>2,122,378</b>
<b>Current liabilities</b>			
Trade and other payables	16	1,096,435	1,128,239
Borrowings	17	190,279	100,000
Provisions	18	30,281	67,186
<b>Total current liabilities</b>		<b>1,316,995</b>	<b>1,295,425</b>
<b>Non-current liabilities</b>			
Borrowings	17	-	672,752
<b>Total non-current liabilities</b>		<b>-</b>	<b>672,752</b>
<b>Total liabilities</b>		<b>1,316,995</b>	<b>1,968,177</b>
<b>Net assets</b>		<b>(524,667)</b>	<b>154,201</b>
<b>Equity</b>			
Contributed equity	19	23,964,796	23,305,633
Financial asset revaluation reserve	20(a)	1,146,000	1,179,333
Accumulated losses	20(b)	(25,635,463)	(24,330,765)
<b>Total equity</b>		<b>(524,667)</b>	<b>154,201</b>

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

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2013**

<b>Consolidated</b>	<b>Note</b>	<b>Share Capital- Ordinary</b>	<b>Reserves</b>	<b>Accumulated losses</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1-7-2011</b>		<b>23,137,430</b>	<b>1,254,833</b>	<b>(23,178,545)</b>	<b>1,213,718</b>
Contributions of equity net of transaction costs	19	168,203	-	-	168,203
Total other comprehensive income	20(a)	-	(75,500)	-	(75,500)
Loss attributable to members of parent entity	20(b)	-	-	(1,152,220)	(1,152,220)
<b>Balance at 30-6-2012</b>		<b>23,305,633</b>	<b>1,179,333</b>	<b>(24,330,765)</b>	<b>154,201</b>
<b>Balance at 1-7-2012</b>		<b>23,305,633</b>	<b>1,179,333</b>	<b>(24,330,765)</b>	<b>154,201</b>
Contributions of equity net of transaction costs	19	659,163	-	-	659,163
Total other comprehensive income	20(a)	-	(33,333)	-	(33,333)
Loss attributable to members of parent entity	20(b)	-	-	(1,304,698)	(1,304,698)
<b>Balance at 30-6-2013</b>		<b>23,964,796</b>	<b>1,146,000</b>	<b>(25,635,463)</b>	<b>(524,667)</b>

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		2,949,969	2,519,682
Payments to suppliers and employees		(2,922,281)	(2,842,201)
Interest received		2,019	3,239
Interest paid		(68,448)	(5)
Dividends received		-	-
<b>Net cash provided by / (used in) operating activities</b>	<b>23(b)</b>	<b>(38,741)</b>	<b>(319,285)</b>
<b>Cash flows from investing activities</b>			
Payment for equity investments		(395,935)	(90,502)
Payment for physical non-current assets		(3,743)	-
Proceeds from disposal of equity investments		381,385	89,808
Cash acquired on acquisition of business		-	10,495
Loans to other entities		(6,470)	(50,000)
Loans repaid by other entities		-	50,000
Exploration Expenditure		-	-
<b>Net cash provided by / (used in) investing activities</b>		<b>(24,763)</b>	<b>9,801</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		600,000	-
Capital raising costs		(3,837)	(1,797)
Proceeds from borrowings		552,901	493,532
Repayment of borrowings		(1,035,374)	(122,699)
<b>Net cash provided by / (used in) financing activities</b>		<b>113,690</b>	<b>369,036</b>
<b>Net increase / (decrease) in cash held</b>		<b>50,186</b>	<b>59,552</b>
<b>Cash at beginning of financial year</b>		<b>233,843</b>	<b>174,291</b>
<b>Cash at end of financial year</b>	<b>23(a)</b>	<b>284,029</b>	<b>233,843</b>

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

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**BROAD INVESTMENTS LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

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

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

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

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

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

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

**Going Concern**

Despite the current period loss and net current liabilities, the directors believe that the going concern basis is appropriate for the preparation and presentation of the financial statements as the Group has sufficient cash or access to cash to continue to operate for the foreseeable future and expects to deliver profits in the future. Further, the Company is confident of being able to raise additional funds through any one or a combination of share placement, rights issue or debt facility for acquisitions which would enhance profitability and cash flow.

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Going Concern (cont.)**

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

- The ability of the Group to achieve a reasonable return from investing its available cash and for its Mirrus division to meet their projected sales and the ability of Directors to continue to identify and secure new and complementary value adding products and services to market to our client base via the resellers/channel partner network, to ensure future growth; and
- Discussions are being held to convert debt to equity where necessary.

Whilst there is sufficient cash to meet all of the needs of the Group over the foreseeable future, it is possible that any new acquisitions may require additional cash and therefore dependent on the ability of the Company to raise equity funds via share placements or rights issues to fund such acquisition to grow the Company.

In the event that the outcomes of the abovementioned matters are unfavourable, the Directors believe that they have sufficient cash to contribute for the Company to continue to meet its debts as and when they become due and payable.

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

**Significant Accounting Policies**

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

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

**Principles of Consolidation**

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

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 25 to the financial statements.

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Principles of Consolidation (cont.)**

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

**Business Combinations**

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

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

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

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

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

**Goodwill**

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

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

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

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

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

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Goodwill (cont.)**

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

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

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

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

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

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

Customer contracts

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

Customer lists

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

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Income Taxes**

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

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

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

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

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

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

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

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

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Inventories**

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

**Plant and Equipment**

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

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

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

**Depreciation**

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

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

	<u>2013</u>	<u>2012</u>
Furniture and fittings	7.5%	7.5%
Office equipment	10%	10%
Computer equipment	25%	25%

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

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

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Depreciation (cont.)**

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

**Exploration Expenditure**

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

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

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

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

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

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Leases**

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

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

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

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

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

**Financial Instruments**

Recognition and initial measurement

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

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

Classification and subsequent measurement

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

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

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Financial Instruments (cont.)**

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

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

Financial assets at fair value through profit or loss

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

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

Held-to-maturity investments

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

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Financial Instruments (cont.)**

Available-for-sale investments

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

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

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

Financial liabilities

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

Impairment

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

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

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Financial Instruments (cont.)**

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

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

Financial guarantees

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

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

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

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

Derecognition

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Impairment of Assets**

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

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

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

**Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

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

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

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Employee Benefits**

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

**Provisions**

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

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

**Cash and Cash Equivalents**

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

**Revenue and Other Income**

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

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

Interest revenue is recognised using the effective interest method.

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

Revenue is recognised for the major business activities as follows:

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

Sale of Goods

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

Managed Services

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

Asset Sales

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

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

**Trade and Other Receivables**

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

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

**Trade and Other Payables**

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

**Borrowing costs**

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

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Goods and Services Tax (GST)**

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**Comparative Figures**

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

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

**Discontinued operations**

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

**Critical Accounting Estimates and Judgments**

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

Key Estimates

*Impairment - general*

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

**BROAD INVESTMENTS LIMITED**  
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**1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

*Income taxes*

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

The Group has not recognised deferred tax assets relating to carried forward tax losses as the group has not met the probability test that losses would be utilised in the near future. In addition the same business test and ownership rules would need to be reviewed. The total unrecognised tax losses are \$8,983,227 and total temporary differences, or deferred tax assets not recognised is \$639,768.

**New Accounting Standards for Application in Future Periods**

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

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**2 – PARENT INFORMATION**

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

<b>STATEMENT OF FINANCIAL POSITION</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Cash and cash equivalents	274,897	208,781
Trade and other receivables	838	368,756
Financial assets at fair value through profit or loss	1,232	5,376
Financial assets available for sale	74,579	243,340
<b>Total current assets</b>	<b>351,546</b>	<b>826,253</b>
<b>Non-current assets</b>		
Plant and equipment	5,137	4,683
Investments accounted for using the equity method	-	450,000
<b>Total non-current assets</b>	<b>5,137</b>	<b>454,683</b>
<b>Total assets</b>	<b>356,683</b>	<b>1,280,936</b>
<b>Current liabilities</b>		
Trade and other payables	257,381	271,835
Borrowings	75,500	100,000
<b>Total current liabilities</b>	<b>332,881</b>	<b>371,835</b>
<b>Non-current liabilities</b>		
Borrowings	288,287	496,995
<b>Total non-current liabilities</b>	<b>288,287</b>	<b>496,995</b>
<b>Total liabilities</b>	<b>621,168</b>	<b>868,830</b>
<b>Net assets</b>	<b>(264,485)</b>	<b>412,106</b>
<b>Equity</b>		
Contributed equity	23,966,541	23,307,378
Financial asset revaluation reserve	1,146,000	1,179,333
Accumulated losses	(25,377,026)	(24,074,605)
<b>Total equity</b>	<b>(264,485)</b>	<b>412,106</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Total profit	(1,302,421)	(566,175)
Total comprehensive income	(1,335,754)	(641,675)

**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2 – PARENT INFORMATION (Cont.)**

Contractual Commitments

At 30 June 2013 Broad Investments Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2012: Nil).

**3 – REVENUE**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>From continuing operations</b>		
Sales revenue	3,017,255	2,520,740
<b>Other Revenue</b>		
Interest revenue - other	2,019	35,175
Remission of ATO general interest charge	-	152,031
Net realised gain on short-term investments	4,395	-
Miscellaneous income – other	40	-
	<u>6,454</u>	<u>187,206</u>
<b>TOTAL REVENUE</b>	<u><b>3,023,709</b></u>	<u><b>2,707,946</b></u>

**4 – AUDITORS’ REMUNERATION**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Remuneration of the auditor of the parent entity for:		
- Review of the half year financial statements	35,000	30,000
- Audit of the full year financial statements	60,000	75,750
- Audit of the previous year financial statements (i)	(5,000)	-
<b>TOTAL AUDITORS’ REMUNERATION</b>	<u><b>90,000</b></u>	<u><b>105,750</b></u>

(i) Fees less than the estimated cost of the audit of the 2012 Financial Statements

**BROAD INVESTMENTS LIMITED**  
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**5 – EXPENSES**

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

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	\$	\$
<b>From continuing operations</b>		
<b>Expenses:</b>		
Cost of sales	1,894,333	1,619,506
Finance costs		
Interest expense - other	80,568	40,142
Depreciation of:		
Plant and equipment	6,206	45,390
Amortisation of:		
Intangible non-current assets	313,707	218,190
Lease payments:		
Office Rentals	82,073	59,859
Bad and doubtful debts:		
Trade debtors	(36,251)	14,388
Other debtors	393,627	160,961
	357,376	175,349
Impairment of assets:		
Current		
Financial assets	158,562	76,393
Inventory	19,434	-
	177,996	76,393
Non-current		
Intangible assets	585,569	125,000
Loss on disposal of non-current assets	507	10,193
Net realised loss on short-term investments	-	14,853

**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**6 – INCOME TAX EXPENSE**

**The prima facie income tax benefit on pre-tax accounting profit (loss) reconciles to the income tax benefit in the financial statements as follows:**

	<b>2013</b>	<b>2012</b>
Net profit / (loss) from ordinary activities	(1,304,698)	(1,152,220)
Income tax benefit calculated at 30% (2012: 30%) of operating profit / (loss)	(391,409)	(345,666)
<b>Permanent differences</b>		
Profit / (Loss) on sale of financial assets	(1,319)	4,456
Impairment of investments	46,325	12,918
Impairment of goodwill on acquisition	175,671	37,500
Amortisation of customer contract	45,000	60,000
Amortisation of client lists	49,112	5,457
Bad debts	125	138
Loss on disposal of fixed assets	152	3,058
Non-deductible expenses	68	4,029
Permanent differences in income tax	315,134	127,556
Income tax expense / (benefit) adjusted for permanent differences for operating profit / (loss) and discontinued operations (i)	(76,275)	(218,110)
Deferred tax assets not brought to account	76,275	218,110
Total income tax (benefit) / expense on operating loss calculated at 30% (2012: 30%)	-	-
Current tax	(283,746)	22,071
Deferred tax	360,021	196,039
Deferred tax not recognised	(76,275)	(218,110)
	-	-
The deferred tax asset balance not recognised at year end was:		
Income tax losses	9,059,502	8,983,227
Temporary differences	763,667	639,768
	9,823,169	9,622,995

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

**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7 – EARNINGS PER SHARE**

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

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>Cents per</b>	<b>Cents per</b>
	<b>Share</b>	<b>Share</b>
<b>Loss per share from continuing operations attributable to the ordinary equity holders of the Company:</b>		
Basic loss per share (cents)	(0.18)	(0.19)
Diluted loss per share (cents)	(0.18)	(0.19)
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>		
Basic loss per share (cents)	(0.18)	(0.19)
Diluted loss per share (cents)	(0.18)	(0.19)
<b>Loss per share</b>		
<b>(a) Basic loss per share</b>		
Loss per share from continuing operations attributable to the ordinary equity holders of the Company	(0.18)	(0.19)
Loss per share from discontinued operations	-	-
Total loss per share attributable to the ordinary equity holders of the company	(0.18)	(0.19)
<b>(b) Diluted loss per share</b>		
Diluted loss per share from continuing operations attributable to the ordinary equity holders of the Company	(0.18)	(0.19)
Diluted loss per share from discontinued operations	-	-
Total diluted Loss per share attributable to the ordinary equity holders of the company	(0.18)	(0.19)
<b>(c) Reconciliation of loss used in calculating earnings per share</b>		
<i>Basic loss per share</i>		
Loss attributable to the ordinary equity holders of the company used in calculating basic loss per share		
from continuing operations	(1,304,698)	(1,152,220)
from discontinued operations	-	-
	(1,304,698)	(1,152,220)
<i>Diluted loss per share</i>		
Diluted loss attributable to the ordinary equity holders of the company used in calculating diluted loss per share		
from continuing operations	(1,304,698)	(1,152,220)
from discontinued operations	-	-
	(1,304,698)	(1,152,220)
<b>(d) Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<b>No.</b> 715,140,738	<b>No.</b> 597,118,197
Weighted average number of dilutive options outstanding	56,153,425	28,372,563
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	771,294,163	625,490,760

**BROAD INVESTMENTS LIMITED**  
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**7 – EARNINGS PER SHARE (Cont.)**

Information concerning the classification of securities

*Diluted loss per share*

Potential ordinary shares being the balance of options granted at balance date are not considered dilutive as the conversion of these components to equity would result in a decrease in the net loss per share.

*Options*

No options have been included in the determination of basic loss per share. Details relating to the options are set out in Note 19.

Issue of securities after reporting date

No securities have been issued after 30 June 2013.

**8 – OPERATING SEGMENTS**

**Segment Information**

*Identification of reportable segments*

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

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

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- The products sold and/or services provided by the segment;
- The type or class of customer for the products or service;
- The distribution method; and
- External regulatory requirements.

**Types of services by segment**

*Managed services*

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

*Share trading & investments*

Trading and investing in ASX listed entities or up-coming floats.

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**8 – OPERATING SEGMENTS (Cont.)**

**Types of services by segment (cont.)**

*Telecommunication services*

The telecommunications services segment provides the provision of telecommunications equipment and services to all types of customers. This segment was due to the acquisition of Unified Business Communications Group Pty Ltd on 21 December 2011. No revenue or expenses for the period prior to 21 December 2011 are recorded in this report.

*Corporate*

A segment that handles corporate and administrative matters.

**Basis of accounting for purposes of reporting by operating segments**

*Accounting policies adopted*

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

*Inter-segment transactions*

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

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

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

*Segment assets*

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

*Segment liabilities*

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

**BROAD INVESTMENTS LIMITED**  
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**8 – OPERATING SEGMENTS (Cont.)**

**Segment performance**

30 June 2013	Managed Services	Share Trading & Investments	Telecommu- -ication Services	Corporate	TOTAL
	\$	\$	\$	\$	\$
<b>Revenue</b>					
External sales	2,834,069	-	183,186	-	3,017,255
Inter-segment sales	-	-	-	345,629	345,629
Interest revenue	661	-	-	200,685	201,346
Other operating revenue	-	4,395	-	140	4,535
<b>Total segment revenue</b>	<b>2,834,730</b>	<b>4,395</b>	<b>183,186</b>	<b>546,454</b>	<b>3,568,765</b>
<i>Reconciliation of segment revenue to group revenue</i>					
Inter-segment elimination					(545,056)
<b>Total group revenue</b>					<b>3,023,709</b>
<b>Segment net profit/(loss) before tax</b>	<b>1,048,356</b>	<b>(154,167)</b>	<b>(622,403)</b>	<b>(1,179,983)</b>	<b>(908,197)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Inter-segment elimination					(396,501)
<b>Net profit/(loss) before tax</b>					<b>(1,304,698)</b>
<b>Other segment information</b>					
Disposal of plant and equipment	-	-	507	-	507
Interest expense	12,335	-	4,477	63,756	80,568
Depreciation expense	4,379	-	1,363	464	6,206
Amortisation expense	150,000	-	163,707	-	313,707
Impairment of current assets	-	158,562	19,434	-	177,996
Impairment of non-current assets	450,000	-	135,569	-	585,569
Net bad & doubtful debts	(9,409)	-	(6,679)	373,464	357,376

**BROAD INVESTMENTS LIMITED**  
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**8 – OPERATING SEGMENTS (Cont.)**

**Segment performance (cont.)**

30 June 2012	Managed Services	Share Trading & Investments	Telecommu- -ication Services	Corporate	TOTAL
	\$	\$	\$	\$	\$
<b>Revenue</b>					
External sales	2,396,863	-	123,877	-	2,520,740
Inter-segment sales	-	-	-	137,449	137,449
Interest revenue	638	-	-	34,537	35,175
Other operating revenue	152,031	-	-	-	152,031
<b>Total segment revenue</b>	<b>2,549,532</b>	<b>-</b>	<b>123,877</b>	<b>171,986</b>	<b>2,845,395</b>
<i>Reconciliation of segment revenue to group revenue</i>					
Inter-segment elimination					(137,449)
<b>Total group revenue</b>					<b>2,707,946</b>
<b>Segment net profit/(loss) before tax</b>	<b>(284,738)</b>	<b>(91,246)</b>	<b>(220,798)</b>	<b>(518,595)</b>	<b>(1,115,377)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Inter-segment elimination					(36,843)
<b>Net profit/(loss) before tax</b>					<b>(1,152,220)</b>
<b>Other segment information</b>					
Disposal of plant and equipment	5,829	-	-	4,364	10,193
Interest expense	40,137	-	3	2	40,142
Depreciation expense	39,935	-	549	4,906	45,390
Amortisation expense	200,000	-	18,190	-	218,190
Impairment of current assets	-	76,393	-	-	76,393
Impairment of non-current assets	125,000	-	-	-	125,000
Net bad & doubtful debts	7,705	-	6,683	160,961	175,349

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**8 – OPERATING SEGMENTS (Cont.)**

**Segment assets**

<b>As at 30 June 2013</b>	<b>Managed Services</b>	<b>Share Trading &amp; Investments</b>	<b>Telecommu- nication Services</b>	<b>Corporate</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	401,948	75,811	33,606	280,963	792,328
<i>Segment asset increases for the period</i>					
Acquisitions	-	-	2,825	918	3,743
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment eliminations					-
<b>Total group assets</b>					<b>792,328</b>

**Other segment information**

Acquisition of plant and equipment	-	-	2,825	918	3,743
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<b>As at 30 June 2012</b>	<b>Managed Services</b>	<b>Share Trading &amp; Investments</b>	<b>Telecommu- nication Services</b>	<b>Corporate</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	895,628	248,716	126,114	1,030,783	2,301,241
<i>Segment asset increases for the period</i>					
Acquisitions	-	90,502	7,005	-	97,507
<i>Reconciliation of segment assets to group assets</i>					
Inter-segment eliminations					(178,863)
<b>Total group assets</b>					<b>2,122,378</b>

**Other segment information**

Acquisition of plant and equipment	-	-	7,005	-	7,005
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**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**8 – OPERATING SEGMENTS (Cont.)**

**Segment liabilities**

<b>As at 30 June 2013</b>	<b>Managed Services</b>	<b>Share Trading &amp; Investments</b>	<b>Telecommunication Services</b>	<b>Corporate</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment liabilities</b>	807,386	-	476,235	5,869,504	7,153,125
<i>Reconciliation of segment liabilities to group liabilities</i>					
Inter-segment eliminations					(5,836,130)
<b>Total group liabilities</b>					<b>1,316,995</b>

<b>As at 30 June 2012</b>	<b>Managed Services</b>	<b>Share Trading &amp; Investments</b>	<b>Telecommunication Services</b>	<b>Corporate</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Segment liabilities</b>	2,345,892	-	218,049	6,087,539	8,651,480
<i>Reconciliation of segment liabilities to group liabilities</i>					
Inter-segment eliminations					(6,683,303)
<b>Total group liabilities</b>					<b>1,968,177</b>

**(a) Geographical segments**

The consolidated entity operates primarily within Australia.

**(b) Major customer**

The Group has customers to whom it provides services.

The Group supplies a single external customer in the managed services segment who accounts for 92.39% of external revenue (2012: 93.40%). The next most significant client accounts for 1.41% (2012: 1.36%) of external revenue.

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**9 – CASH AND CASH EQUIVALENTS**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<b>284,029</b>	<b>233,843</b>

The group and the parent entity's exposure to interest rate risk are discussed in Note 24.

**10 – TRADE AND OTHER RECEIVABLES**

**Current:**

Trade Debtors	35,009	77,366
Less: Provision for impairment of receivables	(5,015)	(43,893)
	<u>29,994</u>	<u>33,473</u>
Other debtors (i)		
Related parties	-	366,994
Other loans – not related	533,964	160,500
Less: Provision for impairment of receivables	(533,964)	(160,500)
	<u>-</u>	<u>366,994</u>
Prepayments	47,418	42,597
Accrued revenue	295,030	205,549
<b>Total trade and other receivables</b>	<b><u>372,442</u></b>	<b><u>648,613</u></b>
Less: Prepayments	(47,418)	(42,597)
<b>Total current financial assets – Note 24</b>	<b><u>325,024</u></b>	<b><u>606,016</u></b>

(i) Other debtors movements were:

Balance as at 1 July	366,994	492,956
Additions	6,720	53,062
Interest accrued	-	31,937
Amounts received	(250)	(50,000)
Bad debts written off	-	(461)
Less: Provision for impairment of receivables	(373,464)	(160,500)
<b>Balance as at 30 June</b>	<b><u>-</u></b>	<b><u>366,994</u></b>

The loans are repayable on demand.

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**10 – TRADE AND OTHER RECEIVABLES (cont.)**

**(a) Provision for Impairment of receivables**

As at 30 June 2013 \$538,979 of current receivables were impaired (2012 - \$204,393).

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

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
<b>Trade receivables</b>	<b>\$</b>	<b>\$</b>
Balance as at 1 July	(43,893)	(3,913)
Provision for impairment written back	43,893	3,913
Provision for impairment recognised during the year	(5,015)	(43,893)
Balance as at 30 June	<u>(5,015)</u>	<u>(43,893)</u>
<b>Other debtors</b>		
Balance as at 1 July	(160,500)	-
Provision for impairment recognised during the year	(373,464)	(160,500)
Balance as at 30 June	<u>(533,964)</u>	<u>(160,500)</u>

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

**(b) Past due but not impaired**

As of 30 June 2013, trade receivables of \$19,961 (2012 - \$20,026) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

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

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
Up to 3 months	21,700	33,473
Over 3 months	8,294	-
	<u>29,994</u>	<u>33,473</u>

**(c) Other receivables**

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

**(d) Foreign exchange and interest rate risk**

The Group has no receivables in foreign currencies. Interest rate risk in relation to receivables is provided in note 24.

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**10 – TRADE AND OTHER RECEIVABLES (cont.)**

**(e) Fair value and credit risk**

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

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 24 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables.

**11 – INVENTORIES**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
At Cost:		
Inventory on hand – finished goods	16,634	45,548

**Inventory expense**

Inventories recognised as expense during the year ended 30 June 2013 amounted to \$28,914 (2012 - \$62,585).

**12 – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
ASX listed equity securities	14,000	14,000
Write-down of equity securities	(12,768)	(8,624)
	<b>1,232</b>	<b>5,376</b>

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

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

**Risk exposure**

Information about the Group's and the parent entity's exposure to credit risk, foreign exchange and price risk is provided in note 24.

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**13 – INVESTMENTS**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Current:</b>		
<b>Financial assets available for sale</b>		
Shares in quoted entities – at cost	1,113,562	1,344,030
Less: Allowance for diminution in value	(1,038,983)	(1,100,690)
<b>Shares in quoted entities at fair value</b>	<b>74,579</b>	<b>243,340</b>
Shares in unquoted entities – at cost	776,223	540,000
Less: Allowance for diminution in value	(776,223)	(540,000)
	<b>74,579</b>	<b>243,340</b>

**(a) Unlisted securities**

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

Included in unlisted securities in both the consolidated and parent entity financial statements are shares in XS Platinum Ltd that are carried at NIL value (2012 – NIL). It may be that these shares will have a value in the future, however, being currently unlisted and having no determinable value they are currently carried at NIL value.

**(b) Investments in related parties**

Refer to note 25 for a list of the Group’s subsidiaries.

**(c) Impairment and risk exposure**

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

Available-for-sale financial assets are denominated in Australian and US currency. For an analysis of the sensitivity of available-for-sale financial assets to foreign currency, price and interest rate risk refer to note 24.

The movements in impairment of financial assets available for sale have been stated in the statements of changes of equity and comprehensive income – 2013: \$33,333 (2012: \$75,500). The movement is based on the change in bid price or managements assessment of recovery.

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**14 – PLANT AND EQUIPMENT**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Plant &amp; equipment</b>		
At cost	183,285	181,862
Accumulated depreciation	(139,873)	(135,480)
<b>Total plant &amp; equipment at net written down value</b>	<b>43,412</b>	<b>46,382</b>
<b>Reconciliations</b>		
<b>Plant &amp; equipment</b>		
Carrying amount at beginning of year	46,382	95,142
Additions	3,743	182
Additions through business combinations	-	6,823
Disposals	(507)	(10,193)
Depreciation	(6,206)	(45,572)
<b>Carrying amount at end of year</b>	<b>43,412</b>	<b>46,382</b>

**15– INTANGIBLE ASSETS**

Intangible assets, other than goodwill, have finite useful lives. The current amortisation for intangible assets is included under ‘depreciation and amortisation expense’ in the statement of comprehensive income. Goodwill has an infinite life.

<b>Consolidated goodwill - indefinite</b>		
Cost	4,408,561	4,408,561
Accumulated impairment	(4,408,561)	(3,822,992)
	-	<b>585,569</b>
<b>Identifiable customer contract - finite</b>		
Cost	1,000,000	1,000,000
Accumulated amortisation	(1,000,000)	(850,000)
	-	<b>150,000</b>
<b>Customer lists acquired</b>		
Cost	181,897	181,897
Accumulated amortisation	(181,897)	(18,190)
	-	<b>163,707</b>
<b>Total Intangible assets</b>	-	<b>899,276</b>

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**15 – INTANGIBLE ASSETS (Cont.)**

<b>Consolidated</b>	<b>Managed Services Goodwill</b>	<b>Managed Services Customer Contract</b>	<b>Telecommunications Goodwill</b>	<b>Telecommunications Customer Lists</b>	<b>TOTAL</b>
<b>30 June 2013</b>					
Opening net book amount	450,000	150,000	135,569	163,707	899,276
Acquisition	-	-	-	-	-
Amortisation expense	-	(150,000)	-	(163,707)	(313,707)
Impairment charge	(450,000)	-	(135,569)	-	(585,569)
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Consolidated</b>	<b>Managed Services Goodwill</b>	<b>Managed Services Customer Contract</b>	<b>Telecommunications Goodwill</b>	<b>Telecommunications Customer Lists</b>	<b>TOTAL</b>
<b>30 June 2012</b>					
Opening net book amount	575,000	350,000	-	-	925,000
Acquisition	-	-	135,569	181,897	317,466
Amortisation expense	-	(200,000)	-	(18,190)	(218,190)
Impairment charge	(125,000)	-	-	-	(125,000)
<b>Closing net book amount</b>	<b>450,000</b>	<b>150,000</b>	<b>135,569</b>	<b>163,707</b>	<b>899,276</b>

**(i) Impairment disclosures**

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Goodwill</b>		
Managed Services- Mirrus Pty Limited	-	450,000
Telecommunication services- Unified Business Communications Group Pty Limited	-	135,569
<b>TOTAL</b>	<b>-</b>	<b>585,569</b>

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

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**15 – INTANGIBLE ASSETS (Cont.)**

**(ii) Amortisation charge**

*Mirrus Pty Ltd – customer contracts*

Amortisation is included in amortisation expenses in the statement of comprehensive income. The final amortisation period for customer contracts ended this financial year.

*Unified Business Communications Group Pty Ltd – client lists*

The client lists were fully amortised during this financial year.

**(iii) Impairment tests for goodwill**

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

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

**(iv) Key assumptions used for value-in-use calculations**

*Mirrus Pty Ltd*

Following the assessment of the fair value of the Company's managed services and provisioning acquisition the Board has valued goodwill in Mirrus Managed Services at NIL as at 30 June 2013.

*Unified Business Communications Group Pty Ltd*

Following the assessment of the fair value of the Company's telecommunications services and provisioning acquisition the Board has valued goodwill in Unified Business Communications Group Pty Limited at NIL as at 30 June 2013.

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**16 – TRADE AND OTHER PAYABLES**

	Consolidated	
	2013	2012
	\$	\$
<b>Current (unsecured):</b>		
Trade creditors (i)	847,864	493,247
GST / PAYG payable	77,463	440,414
Sundry creditors and accrued expenses	171,108	194,578
	<b>1,096,435</b>	<b>1,128,239</b>

- (i) Included in trade creditors are accounts payable to related parties of \$86,871 (2012: \$110,169)

**17 – BORROWINGS**

<b>Current (unsecured):</b>		
Loan by related party – amortised cost	190,279	100,000
	<b>190,279</b>	<b>100,000</b>

Balance as at 1 July	100,000	-
Additions	390,752	100,000
Re-payments	(300,473)	-
<b>Balance as at 30 June</b>	<b>190,279</b>	<b>100,000</b>

<b>Non-current (unsecured):</b>		
Loan – amortised cost	-	383,767
Loan by related party – amortised cost	-	288,985
	<b>-</b>	<b>672,752</b>

Balance as at 1 July	672,752	166,162
Additions	-	378,895
Loans acquired on acquisition of subsidiary	-	235,757
Interest accrued	62,149	14,637
Debt not payable	(100,000)	-
Repayments	(634,901)	(122,699)
<b>Balance as at 30 June</b>	<b>-</b>	<b>672,752</b>

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

The carrying amounts represent the fair values of borrowings at balance date. Details of the Groups exposure to risks arising from current borrowings are set out in note 24.

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**18 – PROVISIONS**

	Consolidated	
	2013	2012
	\$	\$
Annual leave	19,447	51,225
Long service leave	10,834	15,961
<b>Total provisions</b>	<b>30,281</b>	<b>67,186</b>
Balance as at 1 July	67,186	49,315
Additions	7,639	23,730
Amounts Used	(44,544)	(5,859)
<b>Balance as at 30 June</b>	<b>30,281</b>	<b>67,186</b>

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

**19 – CONTRIBUTED EQUITY**

Share capital	Consolidated			
	2013	2012		
	\$	\$		
853,153,033 (2012: 637,528,033) fully paid ordinary shares	23,964,796	23,305,633		
<b>Ordinary shares</b>	<b>2013</b>	<b>2012</b>		
	No.	\$	No.	\$
<b>Movements during the year</b>				
Balance at beginning of financial year	637,528,033	23,305,633	552,528,033	23,137,430
Issue of shares:				
- 21/12/11 shares @ \$0.002 each (i)	-	-	85,000,000	170,000
- 20/12/12 shares @ \$0.002 each (ii)	30,000,000	60,000	-	-
- 28/2/13 shares @ \$0.0016 each	185,625,000	297,000	-	-
- 28/2/13 168,000,000 convertible notes @ \$0.002 each (iii)	-	336,000	-	-
Share placement fees	-	(33,837)	-	(1,797)
<b>Total consolidated entity movements during the year</b>	<b>215,625,000</b>	<b>659,163</b>	<b>85,000,000</b>	<b>168,203</b>
<b>Balance for consolidated entity at end of financial year</b>	<b>853,153,033</b>	<b>23,964,796</b>	<b>637,528,033</b>	<b>23,305,633</b>

- (i) 85,000,000 shares issued for consideration of acquisition of Unified Business Communications Group Pty Ltd. Shares were valued at \$0.002 (0.20 cents).  
(ii) 30,000,000 shares issued to directors in lieu of debt  
(iii) 168,000,000 convertible notes; expiry date of 28 February 2016

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**19 – CONTRIBUTED EQUITY (cont.)**

**(a) Dividends**

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year. (30 June 2012: NIL).

**(b) Authorised capital**

The number of shares authorised is the same as paid ordinary shares.

**(c) Par value**

The shares have no par value.

**(d) Additional issue**

Since the end of the Financial Year no shares have been issued.

**(e) Ordinary shares**

Fully paid ordinary shares carry one vote per share and the right to dividends.

**(f) Share Options and Convertible Notes**

168,000,000 convertible notes were outstanding at balance date. 28,372,863 options to subscribe for ordinary fully paid shares expired during the financial year.

Set out below is a summary of the movements in options and convertible notes during the year for Broad Investments Limited.

Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Balance at end of the year Number
<b>2013</b>						
<b>Options</b>						
26 February 2010	26 February 2013	\$0.004	28,372,563	-	28,372,563	-
<b>Convertible Notes</b>						
28 February 2013	28 February 2016	\$0.002	-	168,000,000	-	168,000,000
Weighted average exercise price			\$0.004	\$0.002	\$0.004	\$0.002
<b>Total</b>			<b>28,372,863</b>	<b>168,000,000</b>	<b>28,372,863</b>	<b>168,000,000</b>

The weighted average share price at the date of exercise of convertible notes during the year ended 30 June 2013 was Nil (2012 – Nil).

The weighted average remaining contractual life of convertible notes outstanding at the end of the period was 2.67 years (2012 – 0.67 years)

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

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

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

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**19 – CONTRIBUTED EQUITY (cont.)**

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

Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Balance at end of the year Number
<b>2012</b>						
26 February 2010	26 February 2013	\$0.004	28,372,563	-	-	28,372,563
Weighted average exercise price			\$0.004			\$0.004
<b>Total</b>			<b>28,372,863</b>	<b>-</b>	<b>-</b>	<b>28,372,863</b>

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

**(g) Capital risk management**

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

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

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

There have been no changes in the strategy adopted to control the capital of the Group since the prior year. The gearing ratios for the year ended 30 June 2013 and 30 June 2012 are:

		Consolidated	
	Note	2013 \$	2012 \$
Total borrowings	17	190,279	772,752
Less cash and cash equivalents	9	(284,029)	(233,843)
Net debt		(93,750)	538,909
Total equity		(524,667)	154,201
<b>Total capital</b>		<b>(618,417)</b>	<b>693,110</b>
Gearing ratio		15%	77%

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**20 – RESERVES & ACCUMULATED LOSSES**

**(a) Reserves**

	Consolidated	
	2013	2012
	\$	\$
<b>Reserves</b>		
Available-for-sale investments revaluation reserve	-	33,333
Options reserve	1,146,000	1,146,000
	<b>1,146,000</b>	<b>1,179,333</b>

**Movements**

**Available-for-sale investments revaluation reserve**

Balance at beginning of financial year	33,333	108,833
Net movement in value of financial assets available-for-sale	(33,333)	(75,500)
<b>Balance at end of financial year</b>	<b>-</b>	<b>33,333</b>

**Options reserve**

Balance at beginning of financial year	1,146,000	1,146,000
Net movements attributed to members of the parent entity	-	-
<b>Balance at end of financial year</b>	<b>1,146,000</b>	<b>1,146,000</b>

**(b) Accumulated losses**

**Movements**

Balance at beginning of financial year	(24,330,765)	(23,178,545)
Net profit / (loss) attributed to members of the parent entity	(1,304,698)	(1,152,220)
<b>Balance at end of financial year</b>	<b>(25,635,463)</b>	<b>(24,330,765)</b>

**21 – DISCONTINUED OPERATIONS**

There were no discontinued operations during the financial year ended 30 June 2013.

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**22 – BUSINESS COMBINATION**

On 21 December 2011 the parent entity acquired 100% of the issued capital of Unified Business Communications Group Pty Ltd (“UBCG”), a telecommunications company, for a conditional purchase consideration of \$400,000, of which \$230,000 was payable subject to future profitability.

The acquisition is part of the Group’s aim to deliver value accretive transactions for shareholders.

Through acquiring 100% of the issued capital of Unified Business Communications Group Pty Ltd, the Group has obtained control of the company.

The purchase was satisfied by the issue of 85,000,000 ordinary shares at an issue price of 0.2 cents each (\$170,000) and the payment of the remainder of the consideration (\$230,000) by further shares, subject to the entity achieving profitability(a).

<b>Purchase consideration</b>	<b>Fair Value</b> \$
Cash	-
Equity issued - 85,000,000 shares @ 0.2 cents (i)	170,000
Debt - balance payable (conditional) (ii)	230,000
<b>Total</b>	<b>400,000</b>

The assets and liabilities arising from the acquisition are as follows:

	<b>Fair Value</b> \$
Cash	10,495
Receivables (iii)	191,467
Inventories	93,313
Property, plant and equipment	6,823
Intangibles (iv)	181,897
Payables	(39,136)
Borrowings	(176,623)
Provisions	(3,804)
<b>Identifiable assets acquired and liabilities assumed</b>	<b>264,432</b>
<b>Goodwill on acquisition (v)</b>	<b>135,568</b>
Purchase consideration settled in cash @ 30 June 2012	-
<b>Cash outflow on acquisition</b>	<b>-</b>

(a) Due to profitability test not being met this liability is no longer payable

**BROAD INVESTMENTS LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**22 – BUSINESS COMBINATION (Cont.)**

- (i) The consideration paid to acquire UBCG included 85,000,000 ordinary shares at 0.2 cents each issued to the vendors of UBCG. The fair value of the shares (\$170,000) has been based on the current market price of the shares at the date of acquisition.
- (ii) The consideration paid to acquire UBCG consisted of \$170,000 ordinary shares and an additional \$230,000, in cash or shares at the discretion of Broad Investments Limited, if the business achieves a profit in any calendar month up to December 2012. The amount was payable after 21 June 2012. As the business did not achieve a profit in any calendar month this amount is no longer payable.
- (iii) An impairment of \$9,042 was recognised at 30 June 2012 in respect of receivables acquired at acquisition.
- (iv) Client lists previously amortised over 5 years has been fully amortised in the current year.
- (v) The goodwill has been fully impaired in the current year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**23 - NOTES TO THE STATEMENTS OF CASH FLOWS**

	Consolidated	
	2013	2012
	\$	\$
<b>(a) Reconciliation of Cash</b>		
For the purposes of the Statements of Cash Flows, cash includes cash on hand and in banks, deposits and negotiable instruments that are fully liquid, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statement of financial Position as follows:		
<b>Cash</b>	<b>284,029</b>	<b>233,843</b>
<b>(b) Reconciliation of loss after income tax to net cash flows from operating activities</b>		
<b>Profit / (loss) after related income tax</b>	(1,304,698)	(1,152,220)
<b>Add / (less) investing &amp; financing activities:</b>		
Proceeds from sale of equity investments	(381,385)	(89,808)
Cost of sale of equity investments	376,990	104,661
Net loans to third parties	(387,157)	-
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	319,913	263,580
Impairment of non-current assets	585,569	125,000
Impairment of financial assets	158,562	76,393
Loss on disposal of plant and equipment	507	10,193
Accrued Interest	-	(143,830)
Adjustment for acquisition of UBCG Pty Ltd	-	36,002
Bad & doubtful debts	396,254	178,801
Expenses and loans no longer payable	(39,672)	-
<b>Net cash provided by / (used in) operating activities before changes in assets and liabilities</b>	<b>(275,117)</b>	<b>(591,228)</b>
<b>Changes in assets and liabilities during the financial year:</b>		
<b>(Increase) / decrease in assets</b>		
Trade debtors	3,480	(4,876)
Other debtors	272,691	124,815
Inventories	28,914	(45,548)
Non-current receivables	-	2,600
<b>Increase / (decrease) in liabilities</b>		
Trade & other payables	(31,804)	177,081
Provisions	(36,905)	17,871
<b>Net cash provided by / (used in) operating activities</b>	<b>(38,741)</b>	<b>(319,285)</b>

**(c) Acquisition of Entities**

During the previous year the parent acquired 100% of the issued capital of Unified Business communications Group Pty Ltd. Information regarding the acquisition, including cash outflow on acquisition and profit since acquisition is disclosed in Note 22.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24 – FINANCIAL RISK MANAGEMENT**

**(a) Financial Risk Management Policies**

The Group's activities expose it to variety of financial risks: market risk (including interest rate risk and price risk), creditor risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

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

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

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

**(b) Specific Financial Risk Exposures and Management**

*(i) Interest Rate Risk*

It is the policy of the consolidated entity to keep only a small level of cash in the main bank account. The remainder of the cash is kept in an interest-bearing savings account with a floating interest rate. Loans to, and from, related parties have earned, and/or paid, interest at a rate of 10-12% per annum. There has been a provision applied to a third party debt for the repayment of interest and principal. The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out in note 24(c).

*(ii) Foreign Currency Risk*

The consolidated entity was exposed to fluctuations in foreign currencies arising from the purchase of share investments in currencies other than the group's measurement currency.

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

	30 June 2013 US\$	30 June 2012 US\$
Financial assets available for sale	29,719	27,319

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**24 – FINANCIAL RISK MANAGEMENT (cont.)**

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

*(iii) Liquidity Risk*

The consolidated entity manages liquidity risk by monitoring forecast cash flows. Borrowings are expected to be needed for the 2013-2014 financial year. Borrowings are used to fund cashflows, as required, from related parties.

*(iv) Credit Risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. There are no amounts of collateral held as security at balance date.

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

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

*(v) Price Risk*

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

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

**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24 – FINANCIAL RISK MANAGEMENT (cont.)**

**(c) Financial instrument composition and maturity analysis**

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

	Weighted Average Effective Interest Rate (Per Annum)		Floating Interest Rate Within 1 Year	
	2013 %	2012 %	2013 \$	2012 \$
<b>Consolidated Group</b>				
<b>Financial assets - current</b>				
Cash assets	1%	1%	284,029	233,843
Trade and other receivables – amortised cost	-	12%	-	-
Financial assets at fair value through profit and loss	-	-	-	-
Financial assets available for sale	-	-	-	-
<b>Total Financial Assets - current</b>			<b>284,029</b>	<b>233,843</b>
<b>Financial liabilities - current</b>				
Trade and other payables – amortised cost	10%	-	29,921	-
Borrowings related parties – amortised cost	10%	-	-	-
<b>Total Financial Liabilities - current</b>			<b>29,921</b>	<b>-</b>
<b>Financial liabilities – non current</b>				
Borrowings related parties – amortised cost	-	-	-	-
Borrowings – amortised cost	10%	-	-	-

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**24 – FINANCIAL RISK MANAGEMENT (cont.)**

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

	Fixed Interest Rate Within 1 Year		Non-Interest Bearing	
	2013	2012	2013	2012
Consolidated Group	\$	\$	\$	\$
<b>Financial assets - current</b>				
Cash assets	-	-	-	-
Trade and other receivables – amortised cost	-	366,994	325,024	239,022
Financial assets at fair value through profit and loss	-	-	1,232	5,376
Financial assets available for sale	-	-	74,579	243,340
<b>Total Financial Assets - current</b>	<b>-</b>	<b>366,994</b>	<b>400,835</b>	<b>487,738</b>
<b>Financial liabilities - current</b>				
Trade and other payables – amortised cost	-	-	1,066,514	1,128,239
Borrowings related parties – amortised cost	190,279	-	-	100,000
<b>Total Financial Liabilities - current</b>	<b>190,279</b>	<b>-</b>	<b>1,066,514</b>	<b>1,228,239</b>
<b>Financial liabilities – non-current</b>				
Borrowings related parties – amortised cost	-	-	-	288,985
Borrowings – amortised cost	-	283,767	-	100,000
<b>Total Financial Liabilities – non-current</b>	<b>-</b>	<b>283,767</b>	<b>-</b>	<b>388,985</b>
	<b>TOTAL</b>			
Consolidated Group	2013	2012		
	\$	\$		
<b>Financial assets - current</b>				
Cash assets	284,029	233,843		
Trade and other receivables – amortised cost	325,024	606,016		
Financial assets at fair value through profit and loss	1,232	5,376		
Financial assets available for sale	74,579	243,340		
<b>Total Financial Assets - current</b>	<b>684,864</b>	<b>1,088,575</b>		
<b>Financial liabilities - current</b>				
Trade and other payables – amortised cost	1,096,435	1,128,239		
Borrowings related parties – amortised cost	190,279	100,000		
<b>Total Financial Liabilities - current</b>	<b>1,286,714</b>	<b>1,228,239</b>		
<b>Financial liabilities – non current</b>				
Borrowings related parties – amortised cost	-	288,985		
Borrowings – amortised cost	-	383,767		
<b>Total Financial Liabilities – non-current</b>	<b>-</b>	<b>672,752</b>		

**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**24 – FINANCIAL RISK MANAGEMENT (cont.)**

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

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

	Consolidated	
	2013	2012
	\$	\$
Less than 6 months	943,535	809,454
6 months to 1 year	76,999	260,000
1 to 5 years	75,901	88,785
<b>TOTAL</b>	<b>1,096,435</b>	<b>1,128,239</b>

**(d) Net Fair Values**

*Fair value estimation*

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

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

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

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**24 – FINANCIAL RISK MANAGEMENT (cont.)**

**(d) Net Fair Values (cont.)**

	2013		2012	
	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
<b>Financial Assets</b>				
Cash and cash equivalents	284,029	284,029	233,843	233,843
Trade and other current receivables	325,024	325,024	606,016	606,016
Available-for-sale financial assets at fair value	75,811	75,811	248,716	248,716
<b>TOTAL</b>	<b>684,864</b>	<b>684,864</b>	<b>1,088,575</b>	<b>1,088,575</b>
<b>Financial Liabilities</b>				
Trade and other payables	1,096,435	1,096,435	1,128,239	1,128,239
Amounts payable related parties	190,279	190,279	388,985	388,985
Borrowings	-	-	383,767	383,767
<b>TOTAL</b>	<b>1,286,714</b>	<b>1,286,714</b>	<b>1,900,991</b>	<b>1,900,991</b>

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

- Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.
- For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

*Financial Instruments Measured at Fair Value*

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

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

**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24 – FINANCIAL RISK MANAGEMENT (cont.)**

**(d) Net Fair Values (cont.)**

2013	Level 1 \$	Level 2 \$	Level 3 \$	TOTAL \$
<b>Financial Assets</b>				
<i>Financial assets at fair value through profit or loss:</i>				
- Investments held-for-trading	1,232	-	-	1,232
<i>Available for sale financial assets:</i>				
- Listed investments	74,579	-	-	74,579
<b>TOTAL</b>	<b>75,811</b>	<b>-</b>	<b>-</b>	<b>75,811</b>
<hr/>				
2012				
<b>Financial Assets</b>				
<i>Financial assets at fair value through profit or loss:</i>				
- Investments held-for-trading	5,376	-	-	5,376
<i>Available for sale financial assets:</i>				
- Listed investments	243,340	-	-	243,340
<b>TOTAL</b>	<b>248,716</b>	<b>-</b>	<b>-</b>	<b>248,716</b>

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

**(e) Sensitivity Analysis**

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

*(i) Foreign Currency Risk Sensitivity Analysis*

At 30 June 2013, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar, with all other variables remaining constant is as follows:

	<b>Consolidated Group</b>	
	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Change in Profit</b>		
Improvement in AUD to USD by 10%	2,701	2,774
Decline in AUD to USD by 10%	(3,301)	(2,774)
<b>Change in Equity</b>		
Improvement in AUD to USD by 10%	2,701	2,774
Decline in AUD to USD by 10%	(3,301)	(2,774)

**BROAD INVESTMENTS LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**24 – FINANCIAL RISK MANAGEMENT (cont.)**

**(e) Sensitivity Analysis (cont.)**

*(ii) Price Risk Sensitivity Analysis*

At 30 June 2013, the effect on profit and equity as a result of changes in the price risk, with all other variables remaining constant would be as follows:

	<b>Consolidated Group</b>	
	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Change in Profit</b>		
Increase in ASX Share prices by 10%	4,609	24,334
Decrease in ASX Share prices by 10%	(4,609)	(24,334)
<b>Change in Equity</b>		
Increase in ASX Share prices by 10%	4,609	24,334
Decrease in ASX Share prices by 10%	(4,609)	(24,334)

*(iii) Interest Rate Risk Sensitivity Analysis*

At 30 June 2013 the effect on profit and equity as a result of changes in the interest rate risk, with all other variables remaining constant would be as follows:

	<b>Consolidated Group</b>	
	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Change in Profit</b>		
Increase in variable interest rate of 1%	1,746	1,933
Decrease in variable interest rate of 1%	(1,746)	(1,933)
<b>Change in Equity</b>		
Increase in variable interest rate of 1%	1,746	1,933
Decrease in variable interest rate of 1%	(1,746)	(1,933)

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**25 - CONTROLLED ENTITIES**

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

Name of Company	Interest held by each parent entity		
	Class of Shares	2013 %	2012 %
BROAD INVESTMENTS LIMITED			
Broad Securities Pty Ltd	Ordinary	100	100
Broad IP Pty Ltd	A	100	100
Broad IP Pty Ltd	B	100	100
Broad IP Pty Ltd	C	100	100
Broad IP Pty Ltd	Ordinary	100	100
Glovebox Pty Ltd	Ordinary	100	100
Managed Asset Services Pty Ltd (i)	Ordinary	100	100
Mirrus Holdings Pty Ltd	Ordinary	100	100
Pangaea Metals Ltd	Ordinary	100	100
Unified Business Communications Group Pty Ltd (ii)	Ordinary	100	100
Broad Property Holdings Pty Ltd (iii)	Ordinary	100	100

- (i) Changed name from Mirrus Pty Ltd on 31 October 2012.
- (ii) Acquired on 21 December 2011. Information regarding the acquisition is disclosed in Note 22.
- (iii) Changed name from MTX Holdings Pty Ltd on 19 September 2012.

Each of the above companies is incorporated in Australia.

The proportion of ownership interest is equal to the proportion of voting power held.

**26 – COMMITMENTS**

	Consolidated Group	
	2013	2012
	\$	\$
<b>Lease Commitments (i)</b>		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, is as follows:		
Within one year	-	3,227
Later than one year but not later than five years	-	-
	-	<u>3,227</u>
Representing:		
Operating lease on premises	-	<u>3,227</u>

- (i) The group occupies premises in Sydney and Melbourne. Neither place is presently under lease.

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**27 – RELATED PARTY TRANSACTIONS**

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

**(a) Ultimate Parent Company**

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

**(b) Subsidiaries**

	Consolidated		Company	
	2013	2012	2013	2012
	\$	\$	\$	\$
<b>Revenue</b>				
Administration service fee paid by Mirrus Managed Services, a wholly-owned controlled entity of Broad Investments Limited	-	-	230,419	137,449
Administration service fee paid by Unified Business Communications Group Pty Ltd, a wholly-owned controlled entity of Broad Investments Limited	-	-	115,210	-
Interest on loan payable by Mirrus Pty Ltd	-	-	199,327	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>544,956</b>	<b>137,449</b>

**(c) Directors**

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

Director	Position	Appointment Date	Resignation Date
Vaz Hovanessian	Executive Chairman	30 December 2003	-
Johannes Scholtz	Non-executive Director	30 May 2005	-
Neil Gibson	Non-executive Director	22 September 2006	-

**(a) Other Key Management Personnel**

Key Management Person	Position	Employer
Michael Saliba (resigned 9 November 2012)	Manager – Mirrus	Mirrus Pty Ltd
Andrew Bray	Director – UBCG	UBCG Pty Ltd

**(e) Key management personnel compensation**

	Consolidated	
	2013	2012
	\$	\$
Short-term employee benefits	375,750	465,732
Share based payments	-	-
Post-employment benefits	4,457	12,385
<b>TOTAL</b>	<b>380,207</b>	<b>478,117</b>

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

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

**27 – RELATED PARTY TRANSACTIONS (cont.)**

**(f) Equity instrument disclosures relating to key management personnel**

*Share holdings*

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

2013	Balance at the start of the year	Net changes during the year	Balance at the end of the year
<b>Directors</b>			
<b>Current</b>			
Vaz Hovanesian	2,469,752	-	2,469,752
Neil Gibson	500,000	8,250,000	8,750,000
Johannes Scholtz	800,000	15,000,000	15,800,000
<b>Other</b>			
<b>Current</b>			
Michael Saliba	-	-	-
Andrew Bray	10,000,000	-	10,000,000
2012	Balance at the start of the year	Net changes during the year	Balance at the end of the year
<b>Directors</b>			
<b>Current</b>			
Vaz Hovanesian	2,469,752	-	2,469,752
Neil Gibson	500,000	-	500,000
Johannes Scholtz	800,000	-	800,000
<b>Other</b>			
<b>Current</b>			
Michael Saliba	-	-	-
Andrew Bray	-	10,000,000	10,000,000

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**27 – RELATED PARTY TRANSACTIONS (cont.)**

**(g) Other transactions with Directors**

*i. Directors*

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Directors fees paid to directors of parent entity	280,000	280,000
Directors fees paid to director of subsidiary UBCG	24,000	12,000
<b>Total</b>	<b>304,000</b>	<b>292,000</b>

*ii. Other related parties*

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

Rent & General Office Expenses	17,908	17,949
Hosting & IT Fees	48,120	52,331
<b>Total</b>	<b>66,028</b>	<b>70,280</b>

Management fee from Broad Investments to Mirrus Managed Services	230,419	137,449
Management fee from Broad Investments to UBCG	115,210	30,000
Expenses on-charged by Mirrus Pty Limited to Broad Investments	-	24,000

Consulting fees paid to Andrew Bray Holdings Pty Ltd, a company of which Andrew Bray is a director and shareholder. Andrew Bray is director of subsidiary UBCG	56,000	36,117
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During the year ended 30 June 2010 Broad Investments Limited acquired 41,666,660 shares for \$150,000 in Ochre Group Holdings Ltd (formerly Rico Resources Limited), a public company, of which Vaz Hovanessian was a Director. These shares were consolidated on a 25:1 basis in January 2011 and as at 30 June 2011 Broad Investments Limited held 1,666,667 shares in Ochre Group Holdings Ltd (formerly Rico Resources Limited). The decision to purchase the shares was made independent of Mr. Hovanessian. Mr Hovanessian resigned as a director of Ochre Group Holdings in March 2011.

Shares held in Ochre Group Holdings Ltd	25,000	183,333
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**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**27 – RELATED PARTY TRANSACTIONS (cont.)**

**(h) Amounts outstanding from related parties**

*i. Loans to other related parties:*

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

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July	250	463
Loans advanced	2,735	250
Loan repayment received	(3,025)	(463)
<b>Balance as at 30 June</b>	<b>(40)</b>	<b>250</b>

Reimbursement due from Strathfield Group Ltd, a director and shareholder related company of Vaz Hovanessian for telephone expenses. No interest was charged and payment was made within 30 days

Balance as at 1 July	-	316
Loan repayment received	-	(316)
<b>Balance as at 30 June</b>	<b>-</b>	<b>-</b>

Loans originally made by Broad Investments to unrelated parties, were assumed by Raxigi Pty Ltd, a company of which Vaz Hovanessian is a director and major shareholder. The loans are due for repayment on demand, and have been reallocated to the original parties in the current financial year and are no longer a related party debt.

Balance as at 1 July	366,994	-
Loans reallocated to original parties	(366,994)	-
Loans advanced	-	366,994
<b>Balance as at 30 June</b>	<b>-</b>	<b>366,994</b>

*ii. Trade and other payables:*

**Amounts payable to other related parties**

Broad Investments trade creditor to ManageNet Pty Ltd, a company of which Vaz Hovanessian is a director and shareholder.	7,038	5,729
Broad Investments trade creditor to Raxigi Pty Ltd for unpaid directors fees, a company of which Vaz Hovanessian is a director and major shareholder.	66,000	66,000
Broad Investments creditor to S Data Investments Pty Ltd, a company of which Johan Scholtz is a director and major shareholder.	27,666	37,500
Mirrus Holdings Pty Ltd trade creditor to ManageNet Pty Ltd, a company of which Vaz Hovanessian is a director and shareholder.	18,442	8,740
UBCG Pty Ltd trade creditor to Andrew Bray Holdings Pty Ltd, a company of which Andrew Bray is a director and shareholder.	4,400	2,200
Broad Investments creditor to Neil Gibson.	20,000	30,000

**BROAD INVESTMENTS LIMITED  
& CONTROLLED ENTITIES**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**27 – RELATED PARTY TRANSACTIONS (cont.)**

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

*iii. Borrowings:*

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

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July	388,985	47,162
Interest charged	26,748	-
Loans advanced	390,752	328,765
Loans acquired as part of UBCG acquisition on 21 December 2011	-	135,757
Loan repayment received	(616,206)	(122,699)
<b>Balance as at 30 June</b>	<b>190,279</b>	<b>388,985</b>

**28 – CONTINGENT LIABILITIES**

There were no guarantees, contingent liabilities or contractual commitments in relation to the company at 30 June 2013.

**29 - SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE**

No material events have occurred subsequent to balance date.

**BROAD INVESTMENTS LIMITED**  
**& CONTROLLED ENTITIES**

**CORPORATE DIRECTORY**

<b>Directors</b>	Vaz Hovanesian – Executive Chairman Neil Gibson – Non executive Director Johannes Scholtz – Non executive Director
<b>Company Secretary</b>	Vaz Hovanesian – Bach. Bus., M.App.Fin., CPA., FCSA.
<b>Registered Office</b>	15 Whiting Street Artarmon, NSW. 2064 Postal: PO Box 126, Artarmon, NSW. 1570 Telephone: (02) 9425 0000 Facsimile: (02) 9425 0099
<b>Share Registry</b>	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross, WA. 6153 Postal: PO Box 535, Applecross, WA. 6953  Telephone: (08) 9315 2333 Facsimile: (08) 9315 2233
<b>Auditors</b>	Crowe Horwath Sydney Level 15, 1 O’Connell Street Sydney, NSW. 2000
<b>Legal Advisors</b>	Weir & Stempel Barristers & Solicitors 50 Strathalbyn Street, East Kew, VIC. 3102
<b>Bankers</b>	Commonwealth Bank of Australia Ltd 120 Pitt Street SYDNEY NSW 2000
<b>Securities Exchange Listing</b>	The Company is listed on:  Australian Securities Exchange ASX Code: BRO