Flexiroam Limited and its controlled entities
(formerly Island Metals Limited)
ACN 143 777 397

Annual Report
for the year ended 30 June 2015

CONTENTS TO FINANCIAL REPORT

Corporate information

This annual report is for Flexiroam Limited ("**the Company**") and its controlled entities ("**the Group**"). Unless otherwise stated, all amounts are presented in $AUD.

Directors
Adam Sierakowski (appointed 18 March 2015)
Kenn Tat Ong (Jefrey Ong) (appointed 18 March 2015)
Iik Kho (Gerard Kho) (appointed 18 March 2015)
Stephen Hewitt-Dutton (appointed 20 May 2010)
Paul Price (appointed 20 May 2010, resigned 18 March 2015)
KC Dennis Ong (appointed 20 May 2010, resigned 18 March 2015)

Company Secretary
Mr Stephen Hewitt-Dutton (appointed 20 May 2010, resigned 18 March 2015)
Deborah Ho (appointed 18 March 2015)

Registered and Principal Office
Flexiroam Limited
Level 24, 44 St Georges Terrace
PERTH WA 6000

Auditors
HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

Bankers
National Australia Bank
100 St Georges Terrace
PERTH WA 6000

Solicitors
Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
PERTH WA 6000

Share Registry
Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
Ph: 08 9389 8033
Fax: 08 9262 3723

Company Contact Information
Ph: 08 6211 5099
Fax: 08 9218 8875

Chairman and Chief Executive Officer's report

Dear Shareholders,

On behalf of the board, we are very pleased to report on a year of substantial achievement for Flexiroam Limited. Your company has firmly established itself as a leader in mobile roaming distribution and technology. Having successfully completed a $9.5m capital raising and listing on the ASX in June 2015 and achieved landmark agreements with strategic alliance partners to enter new markets and expand the international reach of Flexiroam's services, we are well placed to grow our presence internationally.

We are one of the fastest growing budget international roaming providers in Asia-Pacific, offering a more affordable means of roaming internationally. Over 100 travel agencies have partnered with us and our core products are already being used by more than 300,000 people from all over the world.

Our strategy to expand in Asia-Pacific with a low cost international roaming service will allow us to continue our strong sales growth in the coming year. We are backed by strategic partnerships with market leaders in mobile telecommunication that will provide considerable opportunities to grow the company and continue to develop new products.

The new products anticipated to be released in the near future include our new secure voice and instant messaging app that works under low internet bandwidth. Flexiroam App for PC windows, iPhone and Android will be free to download and offers users the most affordable means to stay connected with contacts wherever they are.

We are very excited about SIM Paste - another new Flexiroam product - a thin microchip-embedded film that converts users' phones into a dual SIM phone when fixed on one's local SIM card. This new innovation automatically turns off users' local mobile network and activates Flexiroam Data Service when the user arrives overseas. We envisage these new products will transform the way travelers communicate overseas.

Thank you to all our stakeholders for your encouragement and ongoing commitment to support the company's growth ambitions. We welcome new shareholders and we thank all of those who joined the register with our listing on the ASX this year. We firmly believe the future will present considerable opportunities to expand and we are determined to maximize value for all shareholders as we continue our journey to improve mobile roaming technology.

We would like to extend our gratitude to our team of professionals for all their hard work and dedication in 2015. We achieved significant sales growth in 2015 and this performance would not have been possible without the outstanding contribution of our team. Thank you.

We look forward to updating you on our progress in the year ahead.

Yours Sincerely

Chairman | Chief Executive Officer

Directors' report

The directors of Flexiroam Limited ('**the Company'**) and its controlled entities submit herewith the annual financial statements of the Company and its controlled entities ('**the Group'**) for the year ended 30 June 2015.

Directors

The names and particulars of the directors of the Company during or since the end of the year are:

Name	Particulars
Mr Kenn Tat Ong (Jef Ong) (Appointed 18 March 2015)	Executive Director and CEO Jefrey has over 15 years of experience in the telecommunication industry and has co-founded three different technology-based companies. He is currently a Director of Flexiroam Sdn Bhd, and Reapfield Technology Sdn Bhd. Jefrey has not held directorships in any other Australian listed companies during the past three financial years.
Adam Sierakowski (Appointed 18 March 2015)	Non-Executive Chairman Adam is a lawyer and founding director of the legal firm Price Sierakowski. He has over 15 years' experience in legal practice, much of which he has spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities. As the co-founder of Trident Capital Pty Ltd, Adam has advised a variety of public and private clients on structuring of their transactions and has been engaged in co-ordinating fundraising both domestically and internationally. Other directorships in Australian listed companies during the past three financial years are as follows: • Resapp Health Limited – Director – appointed on 20 December 2013. • Coziron Resources Limited – Director – appointed on 2 October 2010. • iWebGate Limited – Director – appointed 23 July 2012. • Kinetiko Energy Limited – Director – appointed 8 December 2010.
Iik Kho (Gerard Kho) (Appointed 18 March 2015)	Non-Executive Director Gerard was the CEO and Vice President of Reapfield Group and is now currently the CEO of Property Guru Group. He holds a double degree in Law and Medical Science from University of Sydney, as well as a Masters of Commerce in Accounting from University of Sydney. In addition to this, he holds a Doctorate in Strategic Leadership in Regent University, United States. He has also secured multiple property-related awards: such as the MIEA Real Estate Agency of the Year for 4 consecutive years (2009-2012) and in the Specialised Category for Education in 2012. Gerard has not held directorships in any other Australian listed companies during the past three financial years.
Stephen Hewitt-Dutton (Appointed 20 May 2010)	Non-Executive Director Stephen has over 20 years of experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital Pty Ltd and holds a Bachelor of Business from Curtin University and is an affiliate of the Institute of Chartered Accountants. Previously Stephen was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 15 years. Other directorships in Australian listed companies during the past three financial years are as follows: • Reclaim Industries Limited – Director – appointed on 13 March 2012. • 3D Medical Limited – Director – appointed on 6 October 2010.

Directors (continued)

Paul Price (Appointed 20 May 2010, Resigned 18 March 2015)	Non-Executive Chairman (Resigned 18 March 2015) Paul has extensive experience in corporate and commercial matters and has advised national and international clients on capital raising and structuring issues including Corporations Act and ASX Listing Rule compliance and governance issues. Paul's clients span numerous industry sectors, including resources and energy, manufacturing, professional services, industrial and technology. Mr Price has served as a director of a number of ASX listed companies and is a co-founder of corporate advisory firm Trident Capital Pty Ltd. Paul is a member of the Australian Institute of Company Directors, AMPLA (the Resources and Energy Law Association) and the Association of Mining and Exploration Companies. Paul has a Bachelor of Jurisprudence, a Bachelor of Laws and a Masters of Business Administration, all from the University of Western Australia. Other directorships in Australian listed companies during the past three financial years are as follows: • Windimurra Vanadium Limited – Director – appointed on 30 July 2012 and resigned on 16 April 2015. • Oz Brewing Limited – Director – appointed on 19 June 2014 and resigned on 25 March 2015. • CAQ Holdings Limited – Director – appointed on 2 May 2013.
KC Dennis Ong (Appointed 20 May 2010, Resigned 18 March 2015)	Non- Executive Director (Resigned 18 March 2015) KC has over 25 years of extensive and diverse experience in financial management and business advisory to corporations in Australia and East Asia. He is an alumni from Deakin University, Victoria, holding a Bachelor of Commerce degree and is a Certified Practicing Accountant. KC is a Director of Trident Management Services Pty Ltd. Other directorships in Australian listed companies during the past three financial years are as follows: • Reclaim Industries Limited – Director – appointed on 13 March 2012 • Iwebgate Limited – Director – appointed on 23 July 2012 and resigned on 9 December 2014. • Windimurra Vanadium Limited - Director – appointed on 30 July 2012 and resigned on 21 January 2015. • CAQ Holdings Limited – Director – appointed on 2 May 2013.

The above named directors held office during and since the end of the year, unless otherwise stated.

Company Secretary
Stephen Hewitt-Dutton was appointed as Company Secretary on 20 May 2010 and resigned as Company Secretary on 18 March 2015.

Deborah Ho was appointed as Company Secretary on 18 March 2015. Deborah holds a Bachelor of Commerce from Curtin University and is an associate of Governance Institute of Australia Ltd. Deborah has experience in company secretarial matters, corporate compliance and financial accounting areas including the preparation of financial statements.

Principal Activities
The Group is involved in telecommunications.

Operating results
In March 2015, Flexiroam Limited completed the acquisition of Flexiroam Sdn Bhd. For accounting purposes, Flexiroam Sdn Bhd has been identified as the accounting acquirer of the consolidated group. The accompanying consolidated financial statements represent a continuation of Flexiroam Sdn Bhd's financial statements. The consolidated results reflect a full year of Flexiroam Sdn Bhd plus Flexiroam Limited from the date of acquisition, 18 March 2015 to 30 June 2015. The comparative period results reflect Flexiroam Sdn Bhd only.

The loss after tax of the Group for the year ended 30 June 2015 was $4,498,029. The profit after tax for Flexiroam Sdn Bhd for the year ended 30 June 2014 was $151,651. This is attributable to the following:

- **Reverse Acquisition**
  - The reverse acquisition incurred an accounting loss on acquisition of $3,137,638.
- **Increase in Sales**
  - The 150% increase in sales from 2014 to 2015 is attributed to the performance of the business to business transactions.
  - Overall sales performance saw significant increases, however corporate sales jumped by 178% within the period.
  - Corporate sales accounts for 81% of total sales with 114 corporate customers to date; of that 89 are Malaysian and 25 are international customers.
- **Increase in Cost of Sales**
  - Increase in the cost of sales is attributed to the aggressive customer acquisition activities, resulting in 51 new corporate customers in 2015 and an accumulated subscriber base of 312,061.
- **Decrease in Profits**
  - The decrease in profits is due to the aggressive marketing, promotional and customer acquisition activities both domestically and internationally.
- **Increase in administration and operating expense**
  - An increase in professional fees was due to the lead up to the public listing on ASX.

Review of Operations
Flexiroam Limited
On 2 February 2015, Flexiroam Limited (formerly Island Metals Limited) held a General Meeting where the following resolutions were passed by shareholders.

- Change of control of the Company;
- Approval of performance rights plan; and
- Change of the Company name.

On 23 February 2015, Flexiroam Limited entered into a Share Sale Agreement ("SSA") with the Vendor, Reapfield Technology Sdn Bhd ("Reapfield"), which was subsequently amended 17 March 2015 by Deed of Variation, to acquire 100% of the issued capital in its wholly owned subsidiary, Super Bonus Profit Sdn Bhd ("Acquisition"). Super Bonus Profit Sdn Bhd is the owner of 100% of the share capital of Flexiroam Sdn Bhd.

On 18 March 2015, Flexiroam Limited successfully completed the Acquisition. In accordance with the SSA, the Company issued 90,000,000 fully paid ordinary shares to Reapfield as consideration for the acquisition. Flexiroam Limited also issued 15,000,000 fully paid ordinary shares to Reapfield as repayment of loans to Flexiroam Sdn Bhd by the Vendor.

On 18 March 2015, Paul Price and KC Ong resigned as Directors of Flexiroam Limited and were replaced by Adam Sierakowski, Kenn Tat Ong (Jefrey Ong) and Iik Kho (Gerard Kho).

On 19 March 2015, the Company changed its name from Island Metals Limited to Flexiroam Limited.

On 10 June 2015, Flexiroam Limited issued the following shares and options under the Company's Replacement Prospectus dated 15 April 2015.

- Public Offer – 46,297,500 fully paid ordinary shares at $0.20 per share;
- Advisor Shares – 2,700,000 fully paid ordinary shares;
- 1,000,000 options to Trident Capital Pty Ltd; and
- 2,000,000 options to Zero Nominees Pty Ltd.

Review of Operations (continued)
Flexiroam Limited (continued)
On 16 June 2015, the Company successfully listed its securities for trading on the Australian Securities Exchange platform.

Flexiroam Sdn Bhd
Flexiroam Sdn Bhd ("Flexiroam Malaysia") is the fastest growing budget international roaming provider in Asia–Pacific offering low cost roaming services internationally. Flexiroam Malaysia is the first provider in Asia-Pacific to offer a range of SIM based products allowing customers to retain their existing phone numbers while traveling and enjoying unlimited voice and data on a flat rate unlimited per day fee. Flexiroam Malaysia today is developing its range of products to include mobile application which will allow travellers to be reached anywhere in the world through dedicated international numbers from over 50 countries and a SIM laminating product which will give travelers low cost data roaming in over 100 countries without needing to change their SIM cards. To date, over 300,000 are using Flexiroam Malaysia products. Over 100 travel agencies both in Malaysia and internationally and the international low cost carrier Airasia are Flexiroam Malaysia partners.

On 3 June 2014, Flexiroam Malaysia entered into an agreement with AirAsia Berhad for the provision of preloaded, AirAsiaX SIM cards for sales and redemption purposes. Under this agreement, the AirAsiaX SIM cards can be purchased by all international outbound travellers at Flexiroam Malaysia's business centre in Kuala Lumpur International Airport 2 ("KLIA2"). Additionally, a promotion was launched simultaneously where the first 100,000 travellers going to Japan may redeem an AirAsiaX SIM card for free at Flexiroam Malaysia's KLIA2 outlet throughout the duration of this agreement.

On 10 December 2014, Lim Si Pin was appointed as a Director of Flexiroam Malaysia.

On 22 May 2015, the Olympic Council of Malaysia appointed Flexiroam Malaysia as sponsor and preferred provider of roaming services for the Malaysian Contingent of 1,000 athletes who participated in the 8th Southeast Asian Games held in Singapore from 5 June 2015 to 16 June 2015.

Significant Events after Balance Date
Flexiroam Limited
In August 2015, Flexiroam Limited received full repayment of the convertible note loan receivable including interest charged on the convertible notes, totaling $57,072.

Flexiroam Sdn Bhd
In July 2015, Flexiroam Malaysia announced a joint-marketing collaboration with global payment platform PayPal Ltd, to provide its customers with a simple, secure and convenient purchasing method in addition to giving 30% discount to customers who purchase via PayPal. Flexiroam will also be participating in Paypal's Braintree PayPal Startup Blueprint Program where PayPal will waive for an 18 month period processing fees for transaction value of up to US$1.5 million and US$0.1million with Braintree.

In July 2015, Flexiroam Malaysia has entered into a strategic partnership agreement with Voxbone, a global Cloud telecommunications provider. Voxbone provides Flexiroam Malaysia with economic and extensive network access for voice and SMS in over 55 countries, particularly China and Hong Kong.

In August 2015, Flexiroam Malaysia entered into a network partnership with Knowlarity to build a strong presence in India that has an estimated $167 million roaming market. Knowlarity has an extensive network infrastructure throughout India.

Significant changes in the state of affairs
Reverse acquisition
Flexiroam Limited entered into a heads of agreement dated 9 December 2014 to purchase all of the issued capital of Flexiroam Sdn Bhd ("Flexiroam Malaysia") (being the holding company Super Bonus Profit Sdn Bhd and its 100% interest in Flexiroam Sdn Bhd collectively) in exchange for 90,000,000 ordinary shares. It was additionally agreed that loans held by related parties and the ultimate parent entity totalling approximately MYR 4,336,000, would be exchanged for an additional 15,000,000 ordinary shares in Flexiroam Limited. As a result the shareholders of Flexiroam Malaysia held at the date of acquisition 77% of the issued share capital of the Company, prior to the issue of shares under the prospectus.

Significant changes in the state of affairs (continued)

Reverse acquisition (continued)

From a legal and taxation perspective, Flexiroam Limited is considered the acquiring entity. However the acquisition of Flexiroam Malaysia by Flexiroam Limited has the features of a reverse acquisition as described in Australian Accounting Standard AASB3 "Business Combinations" notwithstanding Flexiroam Limited being the legal parent of the Group. This transaction is outside the scope of AASB 3 as the accounting acquiree does not constitute a business as defined by this standard. In this instance, the principal of reverse acquisition accounting is applied to determine the accounting acquirer but the transaction is accounted for as a share-based payment by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB2 "Share-based Payment".

For accounting purposes, Flexiroam Malaysia has been identified as the accounting acquirer of the consolidated group. The accompanying consolidated financial statements represent a continuation of Flexiroam Malaysia's financial statements. The consolidated results reflect a full year of Flexiroam Malaysia plus Flexiroam Limited from the date of acquisition, 18 March 2015 to 30 June 2015. The comparative period results reflect Flexiroam Malaysia only.

Likely developments and expected results

The directors and management of the Group will continue to pursue growth in its current operations and will seek further cost efficiencies so as to optimise the returns for shareholders from the existing portfolio of retail and corporate consumers. Directors and management will continue to pursue research and development of new products, and strategic partnerships for expanding into new markets which fit within the core competencies and investment criteria of the consolidated entity. The expected results for future years are of growth in revenue and user adoption whilst the Group controls costs wherever possible.

Environmental legislation

The entity is not subject to any significant environmental legislation.

Meetings of Directors

The number of meetings of the company's Board of Directors attended by each Director during the year ended 30 June 2015 was:

	Meetings held while in office	Meetings attended
Paul Price	-	-
KC Ong	-	-
Stephen Hewitt-Dutton	3	3
Adam Sierakowski	3	3
Kenn Tat Ong (Jefrey Ong)	3	3
Iik Kho (Gerard Kho)	3	1

The Board of Directors approved five (5) circular resolution during the year ended 30 June 2015 which was signed by all Directors of the Company.

Remuneration Report (audited)

This report outlines the remuneration arrangements in place for Directors and other Key Management Personnel of the Group. There is no link between remuneration and the Group's performance.

Directors and key management personnel disclosed in this report

Directors

Adam Sierakowski (Non- Executive Chairman) (appointed 18 March 2015)
Kenn Tat Ong (Jefrey Ong) (Executive Director) (appointed 18 March 2015)
Iik Kho (Gerard Kho) (Non- Executive Director) (appointed 18 March 2015)
Stephen Hewitt-Dutton (Non- Executive Director) (appointed 20 May 2010)
Thian Choy Ong (Non- Executive Director Flexiroam Sdn Bhd) (appointed 28 September 2011)
Si Pin Lim (Non- Executive Director Flexiroam Sdn Bhd) (appointed 10 December 2014)
Paul Price (Non-Executive Chairman) (appointed 20 May 2010, resigned 18 March 2015)
KC Dennis Ong (Non- Executive Director) (appointed 20 May 2010, resigned 18 March 2015)

Remuneration Report (audited) (continued)

Remuneration Governance

Due to its size, the Company does not have a Remuneration Committee. The Board has not used remuneration consultants in determining the remuneration of Key Management Personnel. The compensation of Key Management Personnel is reviewed by the Board annually.

The Board assesses the appropriateness of the nature and amount of remuneration of such persons on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from retention of high quality Key Management Personnel. External advice on remuneration matters is sought whenever the Board deems it necessary but has not been sought during the reporting period.

The remuneration of the Key Management Personnel is not dependent on the satisfaction of a performance condition other than set out in this report.

Non-Executive Director Remuneration

The Board seeks to set remuneration of Non-Executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is appropriate at this stage of the Company's development.

The Directors have resolved that Non-Executive Directors' fees are $36,000 per annum for each Non-Executive Director and $48,000 per annum for the Non-Executive Chairman. Following the official listing of Flexiroam Limited, Directors' fees commenced from 16 June 2015.

In addition, Non-Executive Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

The maximum annual aggregate directors' fee pool limit is $250,000 and was approved by shareholders at the annual general meeting held on 30 November 2011.

Executive Remuneration

The following tables disclose the contractual arrangements with the Group's executive Key Management Personnel.

Flexiroam Limited

Component	**CEO description**
Fixed remuneration	$120,000 per annum
Contract duration	3 years commencing on 16 June 2015
Notice by the individual/company	6 months
Other entitlements	Annual leave

Remuneration Report (audited) (continued)

Summary of amounts paid to Key Management Personnel

The table below discloses the compensation of the Key Management Personnel of the Group during the year.

2015	**Short-term employee Benefits Salary & Fees**	**Bonus**	**Post employment superannuation**	**Share-based payments**	**Total**	**Percentage of total remuneration for the year that consists of options**
	$	$	$	$	$	%
Directors - Flexiroam Limited						
Paul Price	-	-	-	-	**-**	-
KC Ong	-	-	-	-	**-**	-
Stephen Hewitt-Dutton	1,500				**1,500**	-
Adam Sierakowski	2,000	-	-	-	**2,000**	-
Kenn Tat Ong (Jefrey Ong)	5,000	-	-	-	**5,000**	-
Iik Kho (Gerard Kho)	1,500	-	-	-	**1,500**	-
Directors – Flexiroam Sdn Bhd						
Kenn Tat Ong (Jefrey Ong)	35,621	2,860	4,643	-	**43,124**	-
Thian Choy Ong	-	-	-	-	**-**	-
Si Pin Lim	-	-	-	-	**-**	-
2015 Total	**45,621**	**2,860**	**4,643**	**-**	**53,124**	-

2014	**Short-term employee Benefits Salary & Fees**	**Bonus**	**Post employment superannuation**	**Share-based payments**	**Total**	**Percentage of total remuneration for the year that consists of options**
	$	$	$	$	$	%
Directors - Flexiroam Limited						
Paul Price	-	-	-	-	**-**	-
KC Ong	-	-	-	-	**-**	-
Stephen Hewitt-Dutton	-	-	-	-	**-**	-
Adam Sierakowski	-	-	-	-	**-**	-
Directors – Flexiroam Sdn Bhd						
Kenn Tat Ong (Jefrey Ong)	32,540	2,685	4,290	-	**39,515**	**-**
Thian Choy Ong	-	-	-	-	**-**	-
2014 Total	**32,540**	**2,685**	**4,290**	**-**	**39,515**	**-**

Remuneration Report (audited) (continued)

Key Management Personnel equity holdings

Fully paid ordinary shares issued by Flexiroam Limited to Key Management Personnel are as follows:

2015	Balance at 1 July 2014 Number	Allotment of Shares Number	Disposal of Shares Number	Net other changes Number	Balance at 30 June 2015 Number	Balance Held Nominally Number
DIRECTORS						
Paul Price	25,000,001	-	(22,333,001)	(2,667,000)	-	-
KC Ong	-	1,333,000	-	(1,333,000)	-	-
Stephen Hewitt-Dutton	200,000	-	-	-	200,000	200,000
Adam Sierakowski	-	6,287,000	-	-	6,287,000	6,287,000
Kenn Tat Ong (Jefrey Ong)	-	96,000,000	-	-	96,000,000	96,000,000
Iik Kho (Gerard Kho)	-	-	-	-	-	-

Share Options held by Key Management Personnel

During the year ended 30 June 2015, 1,000,000 options were issued to Trident Capital Pty Ltd, a company which Adam Sierakowski is a Director and Shareholder of.

Director/Consultant	Grant date	Exercise price	Number	Value	Expiry date
Adam Sierakowski	8 June 2015	$0.20	1,000,000	$99,978	8 June 2018

There was no other share options granted or exercised that relate to Key Management Personnel.

No dividends have been declared during the year ended 30 June 2015 and the Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2015.

Voting and comments made at the Company's 2014 Annual General Meeting

The Company was admitted to the official list on 16 June 2015 and has not yet tabled its Remuneration Report at an Annual General Meeting. Furthermore, the Company had no requirements to table its Remuneration Reports at any previous Annual General Meeting as an unlisted company.

Loans to key management personnel

There were no loans to key management personnel.

Other transactions with key management personnel

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of the transactions with management persons and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Remuneration Report (audited) (continued)

Flexiroam Limited

Recapitalisation and corporate advisory services:

Adam Sierakowski and Paul Price are Directors of Trident Capital Pty Ltd ("Trident Capital") which provided the Company with recapitalisation services, corporate advisory services and office accommodation. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Capital for the year ended 30 June 2015 was $141,815 (incl GST) (2014: $Nil). The amount payable to Trident Capital as at 30 June 2015 is $Nil (excl GST) (2014: $Nil).

Reimbursement:

The amount paid to Adam Sierakowski for the year ended 30 June 2015 was $926 (2014: $Nil).

Company secretarial and accounting services:

Adam Sierakowski and KC Ong are Directors of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Management Services for the year ended 30 June 2015 was $6,875 (incl GST) (2014: $Nil). The amount payable to Trident Management Services as at 30 June 2015 is $6,216 (excl GST) (2014: $Nil).

Legal services:

Adam Sierakowski and Paul Price are Directors of Price Sierakowski Pty Ltd ("Price Sierakowski"), which provided the Company with accounting and company secretarial services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Price Sierakowski for the year ended 30 June 2015 was $141,763 (incl GST) (2014: $Nil). The amount payable to Price Sierakowski as at 30 June 2015 is $550 (excl GST) (2014: $Nil).

Director fees owing:

Director fees for Adam Sierakowski and Stephen Hewitt-Dutton were paid to Trident Capital. The amount payable to Trident Capital as at 30 June 2015 is $3,500 (excl GST) (2014: $Nil).

This is the end of the Audited Remuneration Report.

Indemnifying officers or auditors

Flexiroam Limited has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or of a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings, or paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Insurance

The Company maintains an insurance policy insuring the directors and secretary of the Company, as well as its wholly owned subsidiary in Malaysia. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceeding that may be brought against the officers in their capacity as officers of the entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.
The Company was not a party to any such proceedings during the year.

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 are important.

The Directors are also satisfied that the provision of non-audit services by an auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor's independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for services provided by the auditor of the Group and its related practices, as well as non-related audit firms:

	2015 **$**	**2014** **$**
HLB Mann Judd		
Audit and other assurance services		
Audit and review of financial statements	20,000	-
Total remuneration for audit and other assurance services	20,000	-
Non-audit services		
Investigating Accountant's Report	13,500	-
Total non-audit services	13,500	-

	2015 **$**	**2014** **$**
Amounts paid to non-HLB Mann Judd firms		
CWC & Company		
Audit and other assurance services		
Audit and review of financial statements	5,206	1,946
Total remuneration for audit and other assurance services	5,206	1,946
Non-audit services		
No non-audit services provided	-	-
Total non-audit services	-	-

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this Annual Financial Report.

Adam Sierakowski
Chairman
Signed at Perth on this 30th day in September 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Flexiroam Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia	**N G Neill**
30 September 2015	**Partner**

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Note	Consolidated 2015 $	Flexiroam Sdn Bhd 2014 $
Sales	6	4,757,407	1,900,564
Cost of sales	8	(4,049,358)	(1,080,600)
Gross profit		708,049	819,964
Other revenue	7	153,874	128,025
Administration and operating expenses	9	(1,405,630)	(454,716)
Staff costs		(317,482)	(232,049)
Depreciation and amortisation		(190,781)	(106,800)
Finance expenses		(7,655)	(2,139)
Share-based payment	25	(299,993)	-
Loss on acquisition	10	(3,137,638)	-
(Loss)/profit before income tax		(4,497,256)	152,285
Income tax expense	22	(773)	(634)
(Loss)/profit for the year from continuing operations		(4,498,029)	151,651
Other comprehensive income/(loss)			
Items that may be re-classified to profit or loss:			
Foreign exchange translation		785,542	(539,773)
Total comprehensive (loss)/profit for the year		(3,712,487)	(338,122)
(Loss)/earnings per share (basic and diluted)	23	(0.04)	0.002

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

Consolidated statement of financial position as at 30 June 2015

		Consolidated	Flexiroam Sdn Bhd
	Note	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	11	8,623,528	143,774
Trade and other receivables		341,604	343,160
Inventory		5,437	-
Available-for-sale assets	13	13,600	-
Convertible note receivable	14	57,072	-
Loan receivable	15	43,818	-
Total Current Assets		9,085,059	486,934
NON CURRENT ASSETS			
Development expenditure	18	144,147	166,265
Intellectual property	16	20,647,648	19,844,551
Plant & equipment		52,937	34,247
Intangible assets	17	619,372	461,570
Total Non Current Assets		21,464,104	20,506,633
Total Assets		30,549,163	20,993,567
CURRENT LIABILITIES			
Trade and other payables	19	262,009	354,533
Total Current Liabilities		262,009	354,533
NON CURRENT LIABILITIES			
Borrowings		-	1,229,124
Deferred tax	21	1,502	706
Total Non Current Liabilities		1,502	1,229,830
Total Liabilities		263,511	1,584,363
Net Assets		30,285,652	19,409,204
EQUITY			
Issued capital	20	35,318,699	21,029,757
Reserves	24	(102,962)	(1,188,497)
Accumulated losses		(4,930,085)	(432,056)
Total Equity		30,285,652	19,409,204

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

Consolidated statement of changes in equity for the year ended 30 June 2015

	Issued Capital $	Option Reserve $	Foreign Currency Translation Reserve $	Accumulated losses $	Total $
Flexiroam Sdn Bhd					
Balance at 1 July 2013	**21,029,757**	**-**	**(648,724)**	**(583,707)**	**19,797,326**
Total comprehensive profit for the year	-	-	-	151,651	151,651
Other comprehensive loss	-	-	(539,773)	-	(539,773)
Balance at 30 June 2014	**21,029,757**	**-**	**(1,188,497)**	**(432,056)**	**19,409,204**
Consolidated					
Balance at 1 July 2014	**21,029,757**	**-**	**(1,188,497)**	**(432,056)**	**19,409,204**
Total comprehensive loss for the year	-	-	-	(4,498,029)	(4,498,029)
Other comprehensive income	-	-	785,542		785,542
Capital issued during the year	14,854,547	-	-	-	14,854,547
Share issue costs	(565,605)	-	-	-	(565,605)
Share-based-payments	**-**	299,993	-	**-**	299,993
Balance at 30 June 2015	**35,318,699**	**299,993**	**(402,955)**	**(4,930,085)**	**30,285,652**

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

Consolidated statement of cash flows for the year ended 30 June 2015

		Consolidated	Flexiroam Sdn Bhd
	Note	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		1,063,707	1,760,232
Payments to suppliers and employees		(2,093,754)	(1,433,022)
Interest and other costs of finance paid		(7,655)	(2,139)
Interest and other costs of finance received		7,403	-
Net cash flows (used in)/ provided by operating activities	12	(1,030,299)	325,071
Cash flows from investing activities			
Purchase of fixed assets		(32,819)	(34,414)
Cash acquired on acquisition of Flexiroam Limited		313,190	-
Purchase of intangible assets		-	(566,816)
Proceeds from convertible note repayment		50,000	-
Net cash flows provided by/(used in) investing activities		330,371	(601,230)
Cash flows from financing activities			
Government grants		139,565	128,025
Proceeds from issue of share capital		9,259,500	-
Payments for share issue costs		(411,410)	-
Loan received		227,058	260,514
Net cash flows provided by financing activities		9,214,713	388,539
Net increase in cash and cash equivalents		8,514,785	112,380
Cash and cash equivalents at the beginning of the year		143,774	21,883
Foreign exchange		(35,031)	9,511
Cash and cash equivalents at the end of the year		8,623,528	143,774

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

Notes to the financial statements

NOTE 1 REPORTING ENTITY

This annual financial report includes the financial statements and notes of Flexiroam Limited (formerly Island Metals Limited) ("the Company") and its subsidiary Flexiroam Sdn Bhd (collectively "the Group"). The Group is a for-profit entity primarily and is domiciled in Australia. The Group is involved in the telecommunications industry.

The Company's registered address is Level 24, 44 St George's Terrace, Perth, Western Australia.

NOTE 2 ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

Standards and Interpretations applicable to 30 June 2015

In the year ended 30 June 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of this review the directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

NOTE 3 GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The entity incurred an operating loss of $4,478,029 for the year ended 30 June 2015 (2014 gain: $151,651) and a net cash outflow from operating activities amounting to $1,030,299 (2014 inflow: $325,071).

During the year ended 30 June 2015, the Company successfully a completed a public capital raising of $9,259,500 under a Replacement Prospectus dated 15 April 2015 and the Company successfully listed its securities for trading on the Australian Securities Exchange platform.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report, the Group believes it can meet all liabilities as and when they fall due.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements include the financial statements of the Flexiroam Limited ("the Company") and its subsidiary Flexiroam Sdn Bhd ("the Group"). These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards are equivalent to International Financial Reporting Standards ("IFRS"). Compliance with Australian Accounting Standards ensures that these financial statements comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for the 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.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Reverse acquisition

Flexiroam Limited entered into a heads of agreement dated 9 December 2014 to purchase all of the issued capital of Flexiroam Sdn Bhd (“Flexiroam Malaysia”) (being the holding company Super Bonus Profit Sdn Bhd and its 100% interest in Flexiroam Sdn Bhd collectively) in exchange for 90,000,000 ordinary shares. It was additionally agreed that loans held by related parties and the ultimate parent entity totalling approximately MYR 4,336,000, would be exchanged for an additional 15,000,000 ordinary shares in Flexiroam Limited. As a result the shareholders of Flexiroam Malaysia held at the date of acquisition 77% of the issued share capital of the Company, prior to the issue of shares under the prospectus.

From a legal and taxation perspective, Flexiroam Limited is considered the acquiring entity. However the acquisition of Flexiroam Malaysia by Flexiroam Limited has the features of a reverse acquisition as described in Australian Accounting Standard AASB3 "Business Combinations" notwithstanding Flexiroam Limited being the legal parent of the Group. This transaction is outside the scope of AASB 3 as the accounting acquiree does not constitute a business as defined by this standard. In this instance, the principal of reverse acquisition accounting is applied to determine the accounting acquirer but the transaction is accounted for as a share-based payment by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB2 "Share-based Payment".

For accounting purposes, Flexiroam Malaysia has been identified as the accounting acquirer of the consolidated group. The accompanying consolidated financial statements represent a continuation of Flexiroam Malaysia’s financial statements. The consolidated results reflect a full year of Flexiroam Malaysia plus Flexiroam Limited from the date of acquisition, 18 March 2015 to 30 June 2015. The comparative period results reflect Flexiroam Malaysia only.

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

a) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors of the Company.

b) Foreign currency translation

The functional currency of the Company and subsidiary are measured using the currency of the primary economic environment in which the Company and subsidiary operates; being Australian dollars and Malaysian ringgit respectively. However, as the majority of the Company’s shareholder base is Australian, these financial statements are presented in Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Foreign currency translation (continued)

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the balance date the assets and liabilities of the Group are translated into the presentation currency of Flexiroam Limited at the rate of exchange ruling at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

c) Revenue recognition:

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

d) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

e) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

f) Financial instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.
Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are then classified and measured as set out below.

Notes to the financial statements

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Financial instruments (continued)

Classification and Subsequent Measurement

All financial instruments of the Company are subsequently measured at amortised cost, using the effective interest rate method.

Amortised Cost

Amortised cost is calculated as a) the amount at which the financial asset or liability is measured at initial recognition; b) less principal repayments; c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and d) less any reduction for impairment.

Effective Interest Rate Method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life 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 in profit or loss.

Derecognition

Financial instruments are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company 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 either discharged, cancelled or expired. The difference between the carrying value 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.

Fair value

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.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortisation cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Plant & Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:
Plant and equipment - 5 years

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

Impairment
The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

h) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the financial statements

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

j) Intangible assets

Intangible assets acquired separately
Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – customer database acquisition expenditure
Expenditure on the acquisition of customer database is recognised as an intangible asset if it can be demonstrated how the intangible asset will generate probable future economic benefits. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets this recognition criteria.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The internally generated intangible assets expenditure are amortised over a 5-year period.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

k) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables, which are recognised inclusive of GST.
The net amount of GST recoverable from the taxation authority is included as part of receivables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financial activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable to or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authorities and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

m) Development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

Notes to the financial statements

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Development expenditure (continued)

Development expenditure is recognised as an intangible asset (or from the development phase of an internal project) if and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets arising from development expenditure is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets arising from development expenditure are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The intangible assets arising from development expenditure are amortised over a 10 year period.

n) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

o) Issued capital

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

p) Earnings/loss per share

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

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

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Notes to the financial statements

NOTE 4 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q) Critical accounting judgements and key sources of estimation uncertainty

The Directors make a number of estimates and assumptions in preparing general purpose financial statements. The resulting accounting estimates, will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods if relevant.

The following key judgements were made in preparing these financial statements:

Impairment of goodwill and intangibles with indefinite useful lives:
The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The basis of the Directors' assessment of recoverable amount and the carrying amount of goodwill and intangibles with indefinite useful lives are discussed in Note 16.

Share-based payment transactions:
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model, using the assumptions detailed in Note 25.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 25.

Income tax:
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expenses already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the condition prevailing in the respective domicile of the Group companies.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

NOTE 5 FINANCIAL RISK MANAGEMENT

a) Categories of financial instruments

	2015 $	2014 $
Financial assets		
Cash and cash equivalents	8,623,528	143,774
Trade and other receivables	341,604	343,160
Development expenditure	144,147	166,265
Inventory	5,437	-
Available for sale	13,600	-
Convertible notes	57,072	-
Loan receivable	43,818	-
Financial liabilities		
Trade and other payables	262,009	354,533

b) Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

c) Financial risk management objective and policies
The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders while minimising potential adverse effects on the performance of the Company. The Company's financial risk management policies were established to ensure the adequacy of financial resources for business development and in managing its credit, interest, liquidity and cash flow risks.

d) Market risk
(i) Foreign currency risk
The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The functional currency of the Company and subsidiary are measured using the currency of the primary economic environment in which the Company and subsidiary operates; being Australian dollars and Malaysian ringgit respectively. However, as the majority of the Company's shareholder base is Australian, these financial statements are presented in Australian dollars.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period

Foreign currency risk management
The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

Notes to the financial statements

NOTE 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	2015 $	2014 $
Financial assets		
Cash and cash equivalents	447,463	143,774
Trade and other receivables	292,875	343,160
Development expenditure	144,147	166,265
Inventory	5,437	-
Loan receivable	43,818	-
Financial liabilities		
Trade and other payables	59,484	354,533

Foreign currency sensitivity analysis
The Group is exposed to Malaysian Ringgit (RM) currency fluctuations.

The following table details the Group's sensitivity to a 0.5% increase and decrease in the Australian dollar against the relevant foreign currencies. 0.5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.5% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

2015	RM	RM DOWN 0.5% AUD UP 0.5% $	(LOSS) $	RM UP 0.5% AUD DOWN 0.5% $	GAIN $
Financial assets					
Cash and cash equivalents	447,463	445,226	(2,237)	449,700	2,237
Trade and other receivables	292,875	291,411	(1,464)	294,340	1,464
Inventory	5,437	5,410	(27)	5,464	27
Loan receivable	43,818	43,599	(219)	44,037	219
Financial liabilities					
Trade and other payables	59,484	59,186	(297)	59,781	297

Notes to the financial statements

NOTE 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

2014	RM	RM DOWN 0.5% AUD UP 0.5% $	(LOSS) $	RM UP 0.5% AUD DOWN 0.5% $	GAIN $
Financial assets					
Cash and cash equivalents	143,774	143,055	(719)	144,493	719
Trade and other receivables	343,160	341,444	(1,716)	344,876	1,716
Financial liabilities					
Trade and other payables	354,533	352,760	(1,773)	356,306	1,773

Credit risk

Credit risk is the risk of default by clients and counterparties. Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if counterparty fails to perform as contracted. It is the Company's policy to monitor the financial standing of these counterparties on an on-going basis to ensure that the Group's exposure to credit risk is minimal. The Group has no credit risk as at 30th June, 2015.

Credit risk related to balances with banks and other financial institutions is managed by the Board in accordance with approved board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2015 $	2014 $
Cash and cash equivalents			
-AA rated		8,623,528	143,774
		8,623,528	143,774

Interest rate risk

The financial instruments which primarily expose the Company to interest rate risk are cash and cash equivalents. The Company's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Effective interest rate	Floating interest rate $	1 year or less $	1 to 5 years $	Non-interest bearing $	Total $
30 June 2015							
Financial assets							
Cash assets	11	1.5%	8,176,065	-	-	447,463	**8,623,528**
Convertible notes	14	12.5%	-	57,072	-	-	**57,072**
Available for sale assets	13	-	-	-	-	13,600	**13,600**
Loan receivable	15	-	-	-	-	43,818	**43,818**
Total financial assets			**8,176,065**	**57,072**	-	**504,880**	**8,738,017**
Financial liabilities							
Trade and other payables	19	-	-	-	-	262,009	**262,009**
Total financial liabilities			-	-	-	**262,009**	**262,009**

Notes to the financial statements

NOTE 5 FINANCIAL RISK MANAGEMENT (CONTINUED)

	Note	Effective interest rate	Floating interest rate $	1 year or less $	1 to 5 years $	Non-interest bearing $	Total $
30 June 2014							
Financial assets							
Cash assets			-	-	-	143,774	**143,774**
Trade and other receivables			-	-	-	343,160	**343,160**
Total financial assets			**-**	**-**	**-**	**486,934**	**486,934**
Financial liabilities							
Trade and other payables	19	-	-	-	-	354,533	**354,533**
Total financial liabilities			**-**	**-**	**-**	**354,533**	**354,533**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net revenue would increase by $43,118 and decrease by $43,118 respectively (2014: $719).

Liquidity and cash flow risk
Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

e) Fair values
The fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analyses.

The directors consider that the carrying amounts of financial assets and financial liabilities which are all recorded at amortised cost less accumulated impairment charges in these financial statements, approximate their fair values.

	Note	2015 Carrying Amount $	2015 Fair Value $	2014 Carrying Amount $	2014 Fair Value $
Financial assets					
Cash and cash equivalents	11	8,623,528	8,623,528	143,774	143,774
Available-for-sale assets	13	13,600	13,600	-	-
Convertible notes	14	57,072	57,072	-	-
Loan receivable	15	43,818	43,818	-	-
Total financial assets		**8,738,018**	**8,738,018**	**143,774**	**143,774**
Financial liabilities					
Trade and other payables	19	262,009	262,009	354,533	354,533
Total financial liabilities		**262,009**	**262,009**	**354,533**	**354,533**

Notes to the financial statements

NOTE 6 SALES

	2015 $	2014 $
Corporate[1]	3,838,911	1,382,936
Consumer[2]	918,496	517,628
	4,757,407	**1,900,564**

[1] Corporate sales consist of business to business transactions involving local and foreign travel agencies and companies.
[2] Consumer sales consist of business to consumer transactions through physical and revenue streams.

NOTE 7 OTHER REVENUE

	2015 $	2014 $
Government grant[1]	139,565	128,025
Interest income	14,309	-
	153,874	**128,025**

[1] During the year, Flexiroam Sdn Bhd received grants from Multimedia Development Corporation (MDEC), for purposes of research and development of high technology products. MDEC is a quasi-government body established by the Malaysian Government to legislate policies pertaining to multimedia matters, as well as to set breakthrough standards for multimedia operations.

NOTE 8 COST OF SALES

	2015 $	2014 $
Network cost	265,206	213,906
Marketing	3,521,957	809,336
Material cost	112,430	17,709
Commission due	120,674	20,904
Development expenditure	29,091	18,745
	4,049,358	**1,080,600**

NOTE 9 ADMINISTRATIVE EXPENSES

	2015 $	2014 $
Advertising and promotion	133,310	273,243
Office equipment and general maintenance	6,902	15,384
Others costs	25,099	17,481
Professional fees	882,437	7,818
Rental	145,562	92,488
Software and stationary	25,758	10,874
Talent and recruitment	128,938	8,685
Travelling and transportation	35,688	23,835
Utilities	21,936	4,908
	1,405,630	**454,716**

NOTE 10 LOSS ON ACQUISITION

On 18 March 2015, Flexiroam Limited issued 90,000,000 fully paid ordinary shares to Reapfield Technology Sdn Bhd as consideration for the acquisition of 100% of all the rights and title to Flexiroam Sdn Bhd ("**Flexiroam Malaysia**"). As a result, the shareholders of Flexiroam Malaysia held at the date of acquisition 77% of the issued share capital of the Flexiroam Limited, prior to the issue of shares under the prospectus.

Notes to the financial statements

NOTE 10 LOSS ON ACQUISITION (CONTINUED)

Refer to page 14 for further information on this reverse acquisition. The reverse acquisition is treated as an acquisition of assets and liabilities of Flexiroam Limited as at 17 March 2015.

	$
Net assets acquired:	
Cash and cash equivalents	313,190
Available for sale assets	23,800
Convertible note	100,000
Prepayments	10,595
Other receivables	1,514,766
Trade creditors	(44,950)
Shares awaiting to be issued	(199,992)
Value of the asset acquisition as at 17 March 2015	**1,717,409**

Loss on acquisition of Flexiroam Limited:

	$
Acquisition consideration	4,855,047[1]
Less net assets acquired	(1,717,409)
Loss on acquisition as at 17 March 2015	**3,137,638**

[1]As a result of the acquisition, the consideration fair value is based on the portion (23%) of Flexiroam Malaysia's net assets as at acquisition date.

NOTE 11 CASH AND CASH EQUIVALENTS

	2015 $	2014 $
Cash at bank	8,623,528	143,774
	8,623,528	**143,774**

On 10 June 2015, Flexiroam Limited successfully completed a public raising of $9,259,500 under the Company's Replacement Prospectus dated 15 April 2015.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTE 12 CASH FLOW INFORMATION

Reconciliation of loss for the year to net cash flows from operating activities.

	2015 $	**2014 $**
Profit/(Loss) for the year	(4,498,029)	151,651
Depreciation	190,781	106,800
Loss on acquisition	3,137,638	-
Share-based payment	299,993	-
Government grants	(139,565)	(128,025)
(Increase) in current receivables	(26,538)	(136,548)
(Increase) in inventory	(5,437)	-
Increase in current liabilities	10,062	331,193
Increase in deferred tax liability	796	-
Net cash from operating activities	**(1,030,299)**	**325,071**

Notes to the financial statements

NOTE 13 AVAILABLE FOR SALE ASSETS

	2015 $	2014 $
Shares - Redcliffe Resources Limited at cost	51,000	-
Impairment	(37,400)	-
	13,600	**-**

NOTE 14 CONVERTIBLE NOTE

	2015 $	2014 $
Redcliffe Resources Limited	50,000	-
Interest receivable	7,072	-
	57,072	**-**

In August 2015, Flexiroam Limited received full repayment of the convertible note receivable including interest charged on the convertible notes.

NOTE 15 LOAN RECEIVABLE

In June 2015, Flexiroam Sdn Bhd advanced funds to Reapfield Technology Sdn Bhd to finance its working capital requirement. This advance is unsecured, interest free and repayable on demand.

NOTE 16 INTELLECTUAL PROPERTY

The intellectual property asset is known as Flexiroam Malaysia, an international roaming service for Malaysians who travel overseas to make and receive unlimited calls at a fixed rate by linking their home number to their overseas number. It’s run on a sophisticated integrated network of services, forming a unified system known as the ‘Flexiform Tracking System' (FTS). Investment in the intellectual property is seen to be an intangible asset with an indefinite useful life and is stated at cost. Indefinite life intangibles are not amortised but are subject to annual impairment testing. The directors have reviewed the value intellectual property taking into consideration its central role in the Flexiroam business and the actual and expected revenue growth and are satisfied that there is no impairment at 30 June 2015.

As at 30 June 2015, Flexiroam Malaysia holds one trademark in Malaysia and one trademark in India.

	2015 $	2014 $
Intellectual property	19,844,551	20,398,450
Foreign exchange translation effects	803,097	(553,899)
Carrying value	**20,647,648**	**19,844,551**

NOTE 17 INTANGIBLE ASSET

	2015 $	2014 $
Project marketing	902,456	565,292
Less : Accumulated amortisation	(283,084)	(103,722)
Carrying value	619,372	461,570

Expenditure on the acquisition of customer database recognised as intangible assets. The intangible assets are amortised over a 5 year period.

Notes to the financial statements

NOTE 18 DEVELOPMENT EXPENDITURE

	2015 $	2014 $
Development expenditure	189,895	166,265
Less : Accumulated amortisation	(23,630)	(22,118)
Carrying value	144,147	166,265

Expenditure on research activities recognised as intangible assets. The development expenditure is amortised over a 10-year period.

NOTE 19 TRADE AND OTHER PAYABLES

	2015 $	2014 $
Other payables	213,469	346,095
Accrual of expenses	48,540	8,438
	262,009	354,533

Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTE 20 ISSUED CAPITAL

	Number	$
Ordinary shares issued (net of share issue costs)	188,197,501	35,318,699
Reconciliation		
2014		
Balance at 30 June 2013	60,000,000	21,029,757
Movements for the year ended 30 June 2014	-	-
Balance at 30 June 2014	60,000,000	21,029,757
2015		
Balance as at 1 July 2014	60,000,000	21,029,757
Adjustment on acquisition of Flexiroam Limited	32,200,001	647,000
Elimination of the historical value of Flexiroam Limited issued capital	-	(647,000)
Elimination of Flexiroam Malaysia issued capital	(60,000,000)	-
Share issue – 18 March 2015[1]	105,000,000	4,855,047
Share issue – 19 March 2015[2]	2,000,000	200,000
Share issue – 10 June 2015[3]	46,297,500	9,259,500
Share issue – 10 June 2015[4]	2,700,000	540,000
Capital raising costs	-	(565,605)
Balance as at 30 June 2015	188,197,501	35,318,699

[1] On 18 March 2015, 15,000,000 shares were issued at $0.01 per share in repayment of loans to Flexiroam Sdn Bhd by Reapfield Technology Sdn Bhd. On 18 March 2015, 90,000,000 shares were issued at $0.01 per share as acquisition consideration.

2 On 19 March 2015, 2,000,000 shares were issued at $0.01 per share under a Sophisticated Placement Raising.

3 On 10 June 2015, 46,297,500 shares were issued at $0.20 per share under a Replacement Prospectus.

4 On 10 June 2015, 2,700,000 shares were issued at $0.20 per share under a Replacement Prospectus.

Notes to the financial statements

NOTE 20 ISSUED CAPITAL (CONTINUED)

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Dividends

No dividends were paid or proposed during the year ended 30 June 2015 (2014: nil).

NOTE 21 DEFERRED TAX

Deferred tax liabilities

	2015 $	2014 $
Balance as at 1 July 2014	706	81
Foreign exchange	23	(9)
Transferred from statement of profit or loss and other comprehensive income	773	634
Balance as at 30 June 2015	1,502	706

The Group has tax losses arising in Australia of $260,097 that are available indefinately for offset against future taxable profits.

NOTE 22 INCOME TAX

	2015 $	2014 $
Current year tax	-	-
Income tax	-	-
Deferred tax (Note 21)		
Current year deferred tax	773	634
Numerical reconciliation between tax expense and pre-tax net profit		
(Loss)/profit before tax	(4,497,256)	152,285
Income tax using the domestic corporation tax rate of 30%	(1,349,177)	45,686
Tax rate adjustment for Malaysian tax rate*	15,626	(15,229)
Increase/(decrease) in income tax expense due to:		
Non deductible expenses:		
- Other	261,311	(29,823)
- Accounting loss on acquisition	941,291	-
Add/(deduct) adjustments due to:		
- Revenue losses not recognised	176,386	-
- Unrecognised taxable temprorary differences	(157,785)	-
- Unrecognised deductible temporary differences	113,121	-
Income tax expense	773	634

*The applicable tax rate for the current financial year is 20%, as enacted by the Government of Malaysia.

Notes to the financial statements

NOTE 23 (LOSS)/EARNINGS PER SHARE
Basic (loss)/earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic loss per share computations:

	2015 $	2014 $
(Loss)/profit attributable to ordinary equity holders	(4,498,029)	151,651
	Number	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	106,506,164	90,000,000
	$/share	**$/share**
Basic loss per share	(0.04)	0.002

NOTE 24 RESERVES

	2015 $	2014 $
Foreign currency translation reserve	(402,955)	(1,188,497)
Option reserve	299,993	-
	(102,962)	(1,188,497)
Foreign currency translation reserve		
Opening balance	(1,188,497)	(648,724)
Movement for year	785,542	(539,773)
Closing balance	(402,955)	(1,188,497)
Option reserve		
Opening balance	-	-
Movement for year	299,993	-
Closing balance	299,993	-

Foreign Currency Translation Reserve
The foreign currency exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

Option Reserve
This reserve is used to record the value of equity benefits for options.

Notes to the financial statements

NOTE 25 OPTIONS

In June 2015, 3,000,000 options were issued by Flexiroam Limited to advisors in connection with the Company's initial public offering as contemplated by its Replacement Prospectus dated 15 April 2015. The issue of options are valued at $299,993 (2104: $Nil). The fair value of the options is determined using the Black-Scholes option valuation methodology and applying the following inputs:

	Options
Exercise Price	$0.20
Expiry Date	10 Dec 2018
Risk Free Rate	2.03%
Volatility	75%-
Value per Option	$0.099
Total Value of Options	$299,993
Amount Expensed in Current Year	$299,993
Amount to be Expensed in Future Years	$-

NOTE 26 RELATED PARTY TRANSACTIONS

a) Key management personnel

Compensation of Key Management Personnel

	2015 $	**2014 $**
Short-term employee benefits	45,621	32,540
Bonus	2,860	2,685
Post employment superannuation	4,643	4,290
	53,124	**39,515**

b) Subsidiaries

The consolidated financial statements include the financial statements of Flexiroam Limited and the following subsidiaries:

Name	*Country of Incorporation*	*% Equity Interest 2015*	*2014*
Super Bonus Profit Sdn Bhd	Malaysia	100%	0%
Flexiroam Sdn Bhd	Malaysia	100%	0%

Flexiroam Limited which was incorporated in Australia, is the legal parent of the Group.

c) Transactions with Related Parties

Flexiroam Limited

Recapitalisation and corporate advisory services:

Adam Sierakowski and Paul Price are Directors of Trident Capital Pty Ltd ("Trident Capital") which provided the Company with recapitalisation services, corporate advisory services and office accommodation. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Capital for the year ended 30 June 2015 was $141,815 (incl GST) (2014: $Nil). The amount payable to Trident Capital as at 30 June 2015 is $Nil (excl GST) (2014: $Nil). Trident Capital Pty Ltd was also issued 1,000,000 options valued at $99,998 (2014: $Nil) in relation to advisory services connected with the Company's initial public offering.

Notes to the financial statements

NOTE 26 RELATED PARTY TRANSACTIONS (CONTINUED)

Reimbursement:
The amount paid to Adam Sierakowski for the year ended 30 June 2015 was $926 (2014: $Nil).

Company secretarial and accounting services:
Adam Sierakowski and KC Ong are Directors of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Management Services for the year ended 30 June 2015 was $6,875 (incl GST) (2014: $Nil). The amount payable to Trident Management Services as at 30 June 2015 is $6,216 (excl GST) (2014: $Nil).

Legal services:
Adam Sierakowski and Paul Price are Directors of Price Sierakowski Pty Ltd ("Price Sierakowski"), which provided the Company with accounting and company secretarial services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Price Sierakowski for the year ended 30 June 2015 was $141,763 (incl GST) (2014: $Nil). The amount payable to Price Sierakowski as at 30 June 2015 is $550 (excl GST) (2014: $Nil).

Director fees owing:
Director fees for Adam Sierakowski and Stephen Hewitt-Dutton were paid to Trident Capital. The amount payable to Trident Capital as at 30 June 2015 is $3,500 (excl GST) (2014: $Nil).

NOTE 27 LEGAL PARENT ENTITY INFORMATION

The following detailed information is related to the parent entity, Flexiroam Limited, as at 30 June 2015.

	2015
	$
Current assets	8,295,466
Non-current assets	7,010,047
Total assets	**15,305,513**
Current liabilities	202,525
Non-current liabilities	-
Total liabilities	**202,525**
Contributed equity	16,435,942
Accumulated losses	(1,632,947)
Reserves	299,993
Total equity	**15,102,988**
Loss for the year	(1,203,356)
Other comprehensive income for the year	-
Total comprehensive loss for the year	**(1,203,356)**

NOTE 28 SIGNIFICANT EVENTS AFTER BALANCE DATE

Except for the events listed below, there were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group or the state of affairs of the Group in the financial period subsequent to 30 June 2015.

In July 2015, Flexiroam Malaysia announced a joint-marketing collaboration with global payment platform PayPal Ltd, to provide its customers with a simple, secure and convenient purchasing method in addition to giving 30% discount to customers who purchase via PayPal. Flexiroam will also be participating in Paypal's Braintree PayPal Startup Blueprint Program where PayPal will waive for an 18 month period processing fees for transaction value of up to US$1.5 million and US$0.1million with Braintree.

In July 2015, Flexiroam Malaysia has entered into a strategic partnership agreement with Voxbone, a global Cloud telecommunications provider. Voxbone provides Flexiroam Malaysia with economic and extensive network access for voice and SMS in over 55 countries, particularly China and Hong Kong.

In August 2015, Flexiroam Malaysia entered into a network partnership with Knowlarity to build a strong presence in India that has an estimated $167 million roaming market. Knowlarity has an extensive network infrastructure throughout India.

NOTE 29 COMMITMENTS AND CONTINGENCIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group which has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group to meet its obligations as and when they fall due.

NOTE 30 SEGMENT REPORTING

The Consolidated Group has identified its operating segments as telecommunications and is based on the annual report that are to be audited and used by the board of directors in assessing performance and determining the allocation of resources. The reportable segment is represented by the primary consolidated statements forming the annual report for the year ended 30 June 2015.

Directors' declaration

The Directors declare that:

1. The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statements of Changes in Equity, accompanying notes, are in accordance with the Corporations Act 2001 and:

    (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Group.

2. In the Directors' opinion, there are reasonable grounds to believe that Flexiroam Limited will be able to pay its debts as and when they become due and payable.

3. Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

4. The Directors have been given the declarations as required by Section 295A of the Corporations Act for the financial year ended 30 June 2015.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

On behalf of the Board

Mr Adam Sierakowski
Director

Perth
30 September 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Flexiroam Limited

Report on the Financial Report

We have audited the accompanying financial report of Flexiroam Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

In Note 4, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's responsibility

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

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

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Flexiroam Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 4.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Flexiroam Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Norman Glad

N G Neill
Partner

Perth, Western Australia
30 September 2015

ASX INFORMATION AS AT 28 SEPTEMBER 2015

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Substantial shareholders

Name	Number of ordinary shares held	Percentage of capital held
REAPFIELD TECHNOLOGY SDN BHD	96,000,000	51.01
PRIME ADVISORY GLOBAL LIMITED	9,500,000	5.05
TOTAL	**105,500,000**	**56.06**

Distribution of security holders

Category	Number of Holders
1 – 1,000	5
1,001 – 5,000	17
5,001 – 10,000	106
10,001 – 100,000	186
100,001 and over	86
	884

Unmarketable parcels

The number of shareholders holding less than a marketable parcel is 15. There is only one class of share and all ordinary shareholders have equal voting rights.

Securities subject to escrow

The following securities are currently subject to escrow:

Securities	Escrow Period	Release Date	Number
Fully paid ordinary shares	12 months from issue	19 March 2016	875,000
Fully paid ordinary shares	24 months from quotation	16 June 2017	125,475,000
Unlisted options, exercisable at $0.20 on or before 8 June 2018	24 months from quotation	16 June 2017	3,000,000

Unquoted securities

Securities	Number of Options	Number of Holders	Holders with more than 20%
Unlisted options, exercisable at $0.20 on or before 8 June 2018	3,000,000	2	2

Holder	Number Held
TRIDENT CAPITAL PTY LTD	1,000,000
ZERO NOMINEES LIMITED	2,000,000

Twenty largest shareholders – Ordinary Shares

Name	Number of ordinary shares held	Percentage of capital held
REAPFIELD TECHNOLOGY SDN BHD	96,000,000	51.01
PRIME ADVISORY GLOBAL LIMITED	9,500,000	5.05
CITICORP NOMINEES PTY LIMITED	5,326,599	2.83
KAI FATT WONG	4,500,000	2.39
SI PIN LIM	4,500,000	2.39
RZ CAPITAL SDN BHD	4,500,000	2.39
NEFCO NOMINEES PTY LTD	4,100,000	2.18
MR WAI PIN NG	3,850,000	2.05
CHEE CHEOON OW	3,750,000	1.99
TRIDENT CAPITAL PTY LTD	3,387,000	1.8
RZ CAPITAL PTE LTD	3,000,000	1.59
HAN YIE TEH	3,000,000	1.59
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,625,000	1.39
NATIONAL NOMINEES LIMITED	2,500,000	1.33
KOK CHOONG ONG	1,743,000	0.93
LOCK CHOI LENG	1,700,000	0.9
CHONG YUN CHOY	1,600,000	0.85
KAI FATT WONG	1,450,000	0.77
RHB SECURITIES SINGAPORE PTE LTD <CLIENTS A/C>	1,070,000	0.57
TAN EE LENG	1,030,000	0.55
TOTAL	**159,131,599**	**84.55**

Voting Rights
In accordance with the Company’s Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

On-market buyback
There is no current on-market buy-back

Stock Exchange listing
Quotation has been granted for the Company’s Ordinary Shares.

ASX Listing Rule 4.10.19 Confirmation
The Directors of Flexiroam Limited confirm in accordance with ASX Listing Rule 4.10.19 that during the period from commencement of to 30 June 2015, the Company has used its cash, and assets that are readily convertible to cash, in a way consistent with its business objectives.

Corporate Governance Statement

The Board is responsible for establishing the Company's corporate governance framework, they key features of which are set out below. In establishing its corporate governance framework, the Board has referred to the 3rd edition of the ASX Corporate Governance Councils' Corporate Governance Principles and Recommendations.

In accordance with ASX Listing Rule 1.1 Condition 13, the corporate governance statement set out below discloses the extent to which the Company intends to follow the recommendations as at the date of reinstatement of the Company's securities to quotation on ASX. The Company will follow each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices will follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" reporting regime, where, after due consideration, the Company's corporate governance practices will not follow a recommendation, the Board has explained its reasons for not following the recommendation and disclosed what, if any, alternative practices the Company will adopt instead of those in the recommendation.

The following governance-related documents can be found on the Flexiroam Website at http://investor.flexiroam.com, under the section marked "Corporate Governance":

(a) Board Charter;
(b) Board Performance Evaluation Policy;
(c) Code of Conduct;
(d) Audit Committee Charter;
(e) Remuneration and Nomination Committee Charter;
(f) Security Trading Policy;
(g) Continuous Disclosure Policy;
(h) Shareholder Communication and Investor Relations Policy;
(i) Risk Committee Charter;
(j) Risk Management Policy; and
(k) Diversity Policy.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1

The Company has established the respective roles and responsibilities of its Board and management, and those matters expressly reserved to the Board and those delegated to management, and have documented this in its Board Charter.

The responsibilities of the Board include but are not limited to:

(a) setting and reviewing strategic direction and planning;
(b) reviewing financial and operational performance;
(c) identifying principal risks and reviewing risk management strategies; and
(d) considering and reviewing significant capital investments and material transactions.

In exercising its responsibilities, the Board recognises that there are many stakeholders in the operations of the Company, including employees, shareholders, co-ventures, the government and the community.

The Board has delegated responsibility for the business operations of the Company to the Chief Executive Officer. The Chief Executive Officer is accountable to the Board.

Recommendation 1.2

The Company undertakes appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director and provides shareholders with all material information in its possession relevant to a decision on whether or not to elect a director.

The checks which are undertaken, and the information provided to shareholders, are set out in the Company's Remuneration and Nomination Committee Charter.

Recommendation 1.3
The Company has a written agreement with each of the Directors and senior executives setting out the terms of their appointment. The material terms of any employment, service or consultancy agreement the Company, or any of its child entities, has entered into with its Chief Executive Officer, any of its directors, and any other person or entity who is a related party of the Chief Executive Officer or any of its directors will be disclosed in accordance with ASX Listing Rule 3.16.4 (taking into consideration the exclusions from disclosure outlined in that rule).

Recommendation 1.4
The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for the application of best practice in corporate governance and also supports the effectiveness of the Board by:

(a) ensuring a good flow of information between the Board, its committees, and Directors;
(b) monitoring policies and procedures of the Board;
(c) advising the Board through the Chairman of corporate governance policies; and
(d) conducting and reporting matters of the Board, including the despatch of Board agendas, briefing papers and minutes.

Recommendation 1.5
The Company has a Diversity Policy, the purpose of which is:
(a) to outline the Company's commitment to creating a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management; and
(b) to provide a process for the Board to determine measurable objectives and procedures which the Company will implement and report against to achieve its diversity goals.

The Board intends to set measurable objectives for achieving diversity, specifically including gender diversity and will review and report on the effectiveness and relevance of these measurable objectives. However, due to the current size of the Board and management, these measurable objectives have not yet been set.

Recommendation 1.6
The Chief Executive Officer will be responsible for evaluating the performance of the Company's senior executives in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board.

The Chairman will be responsible for evaluating the performance of the Company's Chief Executive Officer in accordance with the process disclosed in the Company's Process for Performance Evaluations, which is currently being developed by the Board. No evaluation has been conducted during the reporting period.

The Company will report on whether an evaluation of its Chief Executive Officer and senior executives has taken place in the relevant reporting period in each of its corporate governance statements.

Recommendation 1.7
The Chairman will be responsible for evaluating the performance of the Board, Board committees and individual directors in accordance with the process disclosed in the Company's Board performance evaluation policy.

This policy is to ensure:
(a) individual Directors and the Board as a whole work efficiently and effectively in achieving their functions;
(b) the executive Directors and key executives execute the Company's strategy through the efficient and effective implementation of the business objectives; and
(c) committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in the board charter.

This policy will be reviewed annually. The Company will report on whether an evaluation of the Board, its committees and individual directors has taken place in the relevant reporting period, and whether the process was in accordance with the process disclosed, in each of its corporate governance statements. No evaluation has been conducted during the reporting period.

Principle 2: Structure the board to add value

Recommendation 2.1

Due to the size of the Board, the Company does not have a separate nomination committee. The roles and responsibilities of a nomination committee are currently undertaken by the Board.

The duties of the full Board in its capacity as a nomination committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Flexiroam Website.

When the Board meets as a remuneration and nomination committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration and Nomination Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of a Nomination Committee and is disclosed on the Flexiroam Website.

Recommendation 2.2

The mix of skills and diversity which the Board is looking to achieve in its composition is:

(a) a broad range of business experience; and
(b) technical expertise and skills required to discharge duties.

Recommendation 2.3

The Board considers the independence of directors having regard to the relationships listed in Box 2.3 of the Principles and Recommendations.

Currently the Board is structured as follows:
(a) Kenn Tat Ong (Jef) (Executive Director and Chief Executive Officer) – appointed 18 March 2015;
(b) Adam Sierakowski (Chairman) – appointed 18 March 2015;
(c) Iik Kho (Gerard) (Non-Executive Director) – appointed 18 March 2015; and
(d) Stephen Hewitt-Dutton (Non-Executive Director) – appointed 20 May 2010.

Jefrey Ong is an executive director, and accordingly, is not considered independent.

Adam Sierakowski is a Director and Shareholder of Trident Capital Pty Ltd which is a provider of material professional services, and accordingly, is not considered independent.

Gerard Kho is an independent Director.

Stephen Hewitt-Dutton is a senior employee of Trident Management Services Pty Ltd, which is a provider of material professional services, and accordingly, is not considered independent.

Recommendation 2.4

Currently, the Board considers that membership weighted towards relevant expertise is appropriate at this stage of the Company's operations. The majority of the Board is not independent.

Recommendation 2.5

Adam Sierakowski is the Chairman. He is not an independent Chairman. Mr Sierakowski is considered the most appropriate person to Chair the Board because of his public company experience.

Recommendation 2.6

It is a policy of the Company, that new Directors undergo an induction process in which they are given a full briefing on the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

Principle 3: Act ethically and responsibly

Recommendation 3.1

The Company is committed to promoting good corporate conduct grounded by strong ethics and responsibility. The Company has established a Code of Conduct (**Code**), which addresses matters relevant to the Company's legal and ethical obligations to its stakeholders. It may be amended from time to time by the Board, and is disclosed on the Flexiroam Website.

The Code applies to all Directors, employees, contractors and officers of the Company. The Code will be formally reviewed by the Board each year.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1

Due to the size of the Board, the Company does not have a separate audit committee. The roles and responsibilities of an audit committee are undertaken by the Board.

The full Board in its capacity as the audit committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board has adopted an Audit Committee Charter which describes the role, composition, functions and responsibilities of the audit committee and is disclosed on the Flexiroam Website.

When the Board meets as an audit committee is carries out those functions which are delegated to it in the Company's Audit Committee Charter. Items that are usually required to be discussed by an audit committee are marked as separate agenda items at Board meetings when required.

The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Board.

Recommendation 4.2

Before the Board approves the Company financial statements for each financial period it will receive from the Chief Executive Officer and the Chief Financial Officer or equivalent a declaration that, in their opinion, the financial records of the Company for the relevant financial period have been properly maintained and that the financial statements for the relevant financial period comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and the consolidated entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3

Under section 250RA of the Corporations Act, the Company's auditor is required to attend the Company's annual general meeting at which the audit report is considered, and does not arrange to be represented by a person who is a suitably qualified member of the audit team that conducted the audit and is in a position to answer questions about the audit. Each year, the Company will write to the Company's auditor to inform them of the date of the Company's annual general meeting. In accordance with section 250S of the Corporations Act, at the Company's annual general meeting where the Company's auditor or their representative is at the meeting, the Chairman will allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor (or its representative) questions relevant to the conduct of the audit; the preparation and content of the auditor's report; the accounting policies adopted by the Company in relation to the preparation of the financial statements; and the independence of the auditor in relation to the conduct of the audit.

The Chairman will also allow a reasonable opportunity for the auditor (or their representative) to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Principle 5: Make timely and balanced disclosure
Recommendation 5.1
The Company is committed to:

(a) ensuring that shareholders and the market are provided with full and timely information about its activities;
(b) complying with the continuous disclosure obligations contained in the Listing Rules and the applicable sections of the Corporations Act; and
(c) providing equal opportunity for all stakeholders to receive externally available information issued by the Company in a timely manner.

The Company has adopted a Disclosure Policy, which is disclosed on the Flexiroam Website.

The Disclosure Policy sets out policies and procedures for the Company's compliance with its continuous disclosure obligations under the ASX Listing Rules, and addresses financial markets communication, media contact and continuous disclosure issues. It forms part of the Company's corporate policies and procedures and is available to all staff.

The Chief Executive Officer manages the policy. The policy will develop over time as best practice and regulations change and the Company Secretary will be responsible for communicating any amendments. This policy will be reviewed by the Board annually.

Principle 6: Respect the rights of security holders
Recommendation 6.1
The Company provides information about itself and its governance to investors via the Flexiroam Website. The Company is committed to maintaining the Flexiroam Website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. In particular, where appropriate, after confirmation of receipt by ASX, the following will be posted to the Flexiroam Website:

(a) relevant announcements made to the market via ASX;
(b) media releases;
(c) investment updates;
(d) Company presentations and media briefings;
(e) copies of press releases and announcements for the preceding three years; and
(f) copies of annual and half yearly reports including financial statements for the preceding three years.

Recommendation 6.2
The Company has a Shareholder Communication and Investor Relations Policy which aims to ensure that Shareholders are informed of all major developments of the Company. The policy is disclosed on the Flexiroam Website.

Information is communicated to Shareholders via:

(a) reports to Shareholders;
(b) ASX announcements;
(c) annual general meetings; and
(d) the Flexiroam Website.

This Shareholder Communication and Investor Relations policy will be formally reviewed by the Board each year. While the Company aims to provide sufficient information to Shareholders about the Company and its activities, it understands that Shareholders may have specific questions and require additional information. To ensure that Shareholders can obtain all relevant information to assist them in exercising their rights as Shareholders, the Company has made available a telephone number and relevant contact details (via the Flexiroam Website) for Shareholders to make their enquiries.

Recommendation 6.3
The Board encourages full participation of Shareholders at meetings to ensure a high level of accountability and identification with the Company's strategies and goals.

However, due to the size and nature of the Company, the Board does not consider a policy outlining the policies and processes that it has in place to facilitate and encourage participating at meetings of shareholders to be appropriate at this stage.

Recommendation 6.4
Shareholders are given the option to receive communications from, and send communication to, the Company and its Share Registry electronically. To ensure that shareholders can obtain all relevant information to assist them in exercising their rights as shareholders, the Company has made available a telephone number and relevant contact details (via the Flexiroam Website) for shareholders to make their enquiries.

Principle 7: Recognise and manage risk
Recommendation 7.1
Due to the size of the Board, the Company does not have a separate Risk Committee. The Board is responsible for the oversight of the Company's risk management and control framework.

When the Board meets as a risk committee it carries out those functions which are delegated to it in the Company's Risk Committee Charter. Items that are usually required to be discussed by a Risk Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Risk Committee Charter which describes the role, composition, functions and responsibilities of the Risk Committee and is disclosed on the Flexiroam Website.

The Board has adopted a Risk Management Policy, which is disclosed on the Flexiroam Website. Under the policy, responsibility and control of risk management is delegated to the appropriate level of management within the Company with the Chief Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The risk management system covers:

(a) operational risk;
(b) financial reporting;
(c) compliance / regulations; and
(d) system / IT process risk.

A risk management model is also being developed and will provide a framework for systematically understanding and identifying the types of business risks threatening the Company as a whole, or specific business activities within the Company.

Recommendation 7.2
The Board will review the Company's risk management framework annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the Company faces and to ensure that the Company is operating within the risk appetite set by the Board.

Arrangements put in place by the Board to monitor risk management include, but are not limited to:

(a) monthly reporting to the Board in respect of operations and the financial position of the Company; and
(b) quarterly rolling forecasts prepared;

Recommendation 7.3
The Company does not have, and does not intend to establish, an internal audit function. To evaluate and continually improve the effectiveness of the Company's risk management and internal control processes, the Board relies on ongoing reporting and discussion of the management of material business risks as outlined in the Company's Risk Management Policy.

Recommendation 7.4
Given the speculative nature of the Company's business, it will be subject to general risks and certain specific risks.

The Company will identify those economic, environmental and/or social sustainability risks to which it has a material exposure, and disclose how it intends to manage those risks in each of its corporate governance statements.

Principle 8: Remunerate fairly and responsibly
Recommendation 8.1
Due to the size of the Board, the Company does not have a separate remuneration committee. The roles and responsibilities of a remuneration committee are currently undertaken by the Board.

The duties of the full board in its capacity as a remuneration committee are set out in the Company's Remuneration and Nomination Committee Charter which is available on the Flexiroam Website.

When the Board meets as a remuneration committee is carries out those functions which are delegated to it in the Company's Remuneration and Nomination Committee Charter. Items that are usually required to be discussed by a Remuneration Committee are marked as separate agenda items at Board meetings when required.

The Board has adopted a Remuneration and Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee and is disclosed on the Flexiroam Website.

Recommendation 8.2
Details of the Company's policies on remuneration will be set out in the Company's "Remuneration Report" in each Annual Report published by the Company. This disclosure will include a summary of the Company's policies regarding the deferral of performance- based remuneration and the reduction, cancellation or clawback of the performance-based remuneration in the event of serious misconduct or a material misstatement in the Company's financial statements.

Recommendation 8.3
The Company does not have an equity-based remuneration scheme.

The Company's Security Trading Policy includes a statement on the Company's policy on prohibiting participants in the Company's Employee Incentive Plan entering into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the Employee Incentive Plan.

Security Trading Policy
In accordance with ASX Listing Rule 12.9, the Company has adopted a trading policy which sets out the following information:

(a) closed periods in which directors, employees and contractors of the Company must not deal in the Company's securities;
(b) trading in the Company's securities which is not subject to the Company's trading policy; and
(c) the procedures for obtaining written clearance for trading in exceptional circumstances.

The Company's Security Trading Policy is available on the Flexiroam Website.