

ANNUAL REPORT 2015

Success Resources Global Ltd
ACN 091 509 849

Changing Lives Globally

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

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|---|----|
| CORPORATE DIRECTORY | 2 |
| CORPORATE GOVERNANCE STATEMENT | 3 |
| DIRECTORS' REPORT | 11 |
| AUDITOR'S INDEPENDENCE DECLARATION..... | 27 |
| CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | 28 |
| CONSOLIDATED STATEMENT OF FINANCIAL POSITION | 29 |
| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY..... | 30 |
| CONSOLIDATED STATEMENT OF CASH FLOWS | 31 |
| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS..... | 32 |
| DIRECTORS' DECLARATION..... | 81 |
| INDEPENDENT AUDITOR'S REPORT | 82 |
| ADDITIONAL INFORMATION | 84 |

CORPORATE DIRECTORY

Board of Directors

Tan Poh Choon, Richard – Chairman, Managing Director
Michael Lane – Executive Director
Brian Forte – Executive Director
John Day – Non Executive Director
Jason Gavin Davis – Non Executive Director
Oliver Tham – Non Executive Director

Company Secretary

Jay Stephenson (Appointed on 1 September 2014)
Emma Lawler (Appointed on 18 September 2013 and Resigned on 31 August 2014)

Registered Office

Level 9
368 Sussex Street
Sydney NSW 2000

Auditors

Hall Chadwick
Level 40
2 Park Street
Sydney NSW 2000
Australia

Share Registry

Link Market Services Limited
Level 12 680 George Street
Sydney NSW 2000

Bankers

National Australia Bank Limited
Suite 7
51-53 Kewdale Road
Welshpool WA 6106

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance summary discloses the extent to which the Company has followed the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (3rd Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at www.successresourcesglobal.com.au.

| PRINCIPLES AND RECOMMENDATIONS | COMPLY (YES/NO) | EXPLANATION |
|---|--------------------|--|
| <i>Principle 1: Lay solid foundations for management and oversight</i> | | |
| <p>Recommendation 1.1</p> <p>A listed entity should have and disclose a charter which:</p> <p>(a) sets out the respective roles and responsibilities of the board, the chair and management; and</p> <p>(b) includes a description of those matters expressly reserved to the board and those delegated to management.</p> | YES | <p>The Company has adopted a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board, requirements as to the Boards composition, the roles and responsibilities of the Chairman and Company Secretary, the establishment, operation and management of Board Committees, Directors access to company records and information, details of the Board's relationship with management, details of the Board's performance review and details of the Board's disclosure policy.</p> <p>A copy of the Company's Board Charter is stated in Schedule 1 of the Corporate Governance Plan which is available on the Company's website.</p> |
| <p>Recommendation 1.2</p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.</p> | YES | <p>(a) The Company has detailed guidelines for the appointment and selection of the Board. The Company's Corporate Governance Plan requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director.</p> <p>(b) Material information relevant to any decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting holding the resolution to elect or re-elect the Director.</p> |
| <p>Recommendation 1.3</p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p> | YES | <p>The Company's Corporate Governance Plan requires the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> |
| <p>Recommendation 1.4</p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p> | YES | <p>The Board Charter outlines the roles, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.</p> |
| <p>Recommendation 1.5</p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board:</p> | YES | <p>(a) The Company has adopted a Diversity Policy.</p> <p>(i) The Diversity Policy provides a framework for the Company to achieve a list of 6 measurable objectives that encompass</p> |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

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| <p>(i) to set measurable objectives for achieving gender diversity; and</p> <p>(ii) to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period:</p> <p>(i) the measurable objectives for achieving gender diversity set by the board in accordance with the entity's diversity policy and its progress towards achieving them; and</p> <p>(ii) either:</p> <p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(B) the entity's "Gender Equality Indicators", as defined in the Workplace Gender Equality Act 2012.</p> | | <p>gender equality.</p> <p>(ii) The Diversity Policy provides for the monitoring and evaluation of the scope and currency of the Diversity Policy. The company is responsible for implementing, monitoring and reporting on the measurable objectives.</p> <p>(b) The Diversity Policy is stated in Schedule 9 of the Corporate Governance Plan which is available on the company website.</p> <p>(c)</p> <p>(i) The measurable objectives set by the Board will be included in the annual key performance indicators for the CEO, MD and senior executives. In addition the Board will review progress against the objectives in its annual performance assessment.</p> <p>(ii) The Company currently has no women on the Board; however, the Chief Financial Officer is a woman.</p> <p>Other than the Chief Financial Officer, there are no other employees in the Company and therefore utilises external consultants and contractors as and when required.</p> <p>The Board will review this position on an annual basis.</p> |
| <p>Recommendation 1.6</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>YES</p> | <p>(a) The Board is responsible for evaluating the performance of the Board and individual directors on an annual basis. It may do so with the aid of an independent advisor. The process for this can be found in Schedule 6 of the Company's Corporate Governance Plan.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>Due to the size of the Board and the nature of the business, it has not been deemed necessary to institute a formal documented performance review program of individuals. However, the Chairman intends to conduct formal reviews each financial year whereby the performance of the Board as a whole and the individual contributions of each director are disclosed. The Board considers that at this stage of the Company's development an informal process is appropriate.</p> <p>The review will assist to indicate if the Board's performance is appropriate and efficient with respect to the Board Charter.</p> <p>The Board regularly reviews its skill base and whether it remains appropriate for the Company's operational, legal and financial requirements. New Directors are obliged to participate in the Company's induction process, which provides a comprehensive understanding of the Company, its objectives and the market in which the Company operates.</p> <p>Directors are encouraged to avail themselves of resources required to fulfil the performance of their duties.</p> |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

| <p>Recommendation 1.7</p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p> | <p>YES</p> | <p>(a) The Board is responsible for evaluating the performance of senior executives. The Board is to arrange an annual performance evaluation of the senior executives.</p> <p>(b) The Company's Corporate Governance Plan requires the Board to conduct annual performance of the senior executives. Schedule 6 'Performance Evaluation' requires the Board to disclose whether or not performance evaluations were conducted during the relevant reporting period.</p> <p>During the financial year an evaluation of performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.</p> | | | | | | | | | | | | |
|---|---|---|---------------------|---|---------------------------------------|---|---------------------------------|---|------------|---|--|---|--------------------|---|
| <p>Principle 2: Structure the board to add value</p> | | | | | | | | | | | | | | |
| <p>Recommendation 2.1</p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent director,</p> <p style="margin-left: 20px;">and disclose:</p> <p style="margin-left: 20px;">(iii) the charter of the committee;</p> <p style="margin-left: 20px;">(iv) the members of the committee; and</p> <p style="margin-left: 20px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.</p> | <p>NO</p> | <p>(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Nomination Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Nomination Committee under the written terms of reference for that committee.</p> <p>The duties of the Nomination Committee are outlined in Schedule 5 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devotes time at board meetings to discuss board succession issues. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board regularly updates the Company's board skills matrix (in accordance with recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the entity.</p> | | | | | | | | | | | | |
| <p>Recommendation 2.2</p> <p>A listed entity should have and disclose a board skill matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p> | <p>YES</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Board Skills Matrix</th> <th style="text-align: center;">Number of Directors that Meet the Skill</th> </tr> </thead> <tbody> <tr> <td>Executive & Non- Executive experience</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Industry experience & knowledge</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Leadership</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Corporate governance & risk management</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Strategic thinking</td> <td style="text-align: center;">6</td> </tr> </tbody> </table> | Board Skills Matrix | Number of Directors that Meet the Skill | Executive & Non- Executive experience | 6 | Industry experience & knowledge | 6 | Leadership | 4 | Corporate governance & risk management | 3 | Strategic thinking | 6 |
| Board Skills Matrix | Number of Directors that Meet the Skill | | | | | | | | | | | | | |
| Executive & Non- Executive experience | 6 | | | | | | | | | | | | | |
| Industry experience & knowledge | 6 | | | | | | | | | | | | | |
| Leadership | 4 | | | | | | | | | | | | | |
| Corporate governance & risk management | 3 | | | | | | | | | | | | | |
| Strategic thinking | 6 | | | | | | | | | | | | | |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

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|--|-----|--|----------------------------------|---|-----------------------|---|----------------------------|---|----------------------------------|--|--------------|---|----------------------|---|-----------------------|---|----------------------------------|---|-------------------|---|---------|---|-----------------------------|---|
| | | <table border="1"> <tr> <td>Desired behavioural competencies</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Geographic experience</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Capital Markets experience</td> <td style="text-align: center;">4</td> </tr> <tr> <td colspan="2"><i>Subject matter expertise:</i></td> </tr> <tr> <td>- accounting</td> <td style="text-align: center;">4</td> </tr> <tr> <td>- capital management</td> <td style="text-align: center;">4</td> </tr> <tr> <td>- corporate financing</td> <td style="text-align: center;">4</td> </tr> <tr> <td>- industry taxation ¹</td> <td style="text-align: center;">0</td> </tr> <tr> <td>- risk management</td> <td style="text-align: center;">5</td> </tr> <tr> <td>- legal</td> <td style="text-align: center;">3</td> </tr> <tr> <td>- IT expertise ²</td> <td style="text-align: center;">0</td> </tr> </table> <p>(1) Skill gap noticed however an external taxation firm is employed to maintain taxation requirements.</p> <p>(2) Skill gap noticed however an external IT firm is employed on an adhoc basis to maintain IT requirements</p> | Desired behavioural competencies | 6 | Geographic experience | 5 | Capital Markets experience | 4 | <i>Subject matter expertise:</i> | | - accounting | 4 | - capital management | 4 | - corporate financing | 4 | - industry taxation ¹ | 0 | - risk management | 5 | - legal | 3 | - IT expertise ² | 0 |
| Desired behavioural competencies | 6 | | | | | | | | | | | | | | | | | | | | | | | |
| Geographic experience | 5 | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Markets experience | 4 | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subject matter expertise:</i> | | | | | | | | | | | | | | | | | | | | | | | | |
| - accounting | 4 | | | | | | | | | | | | | | | | | | | | | | | |
| - capital management | 4 | | | | | | | | | | | | | | | | | | | | | | | |
| - corporate financing | 4 | | | | | | | | | | | | | | | | | | | | | | | |
| - industry taxation ¹ | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| - risk management | 5 | | | | | | | | | | | | | | | | | | | | | | | |
| - legal | 3 | | | | | | | | | | | | | | | | | | | | | | | |
| - IT expertise ² | 0 | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 2.3</p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX Corporate Governance Principles and Recommendation (3rd Edition), but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director</p> | YES | <p>(a) The Board Charter provides for the disclosure of the names of Directors considered by the Board to be independent. These details are provided in the Annual Reports and Company website.</p> <p>(b) The Board Charter requires Directors to disclose their interest, positions, associations and relationships and requires that the independence of Directors is regularly assessed by the Board in light of the interests disclosed by Directors. Details of the Directors interests, positions associations and relationships are provided in the Annual Reports and Company website.</p> <p>(c) The Board Charter provides for the determination of the Directors' terms and requires the length of service of each Director to be disclosed. The length of service of each Director is provided in the Annual Reports and Company website.</p> | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 2.4</p> <p>A majority of the board of a listed entity should be independent directors.</p> | NO | <p>The Board Charter requires that where practical the majority of the Board will be independent.</p> <p>Details of each Director's independence are provided in the Annual Reports and Company website.</p> | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 2.5</p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | NO | <p>The Board Charter provides that where practicable, the Chairman of the Board will be a non-executive Director.</p> <p>Richard Tan is the Chairman and Managing Director of the company and considered independent. The Board has appointed Mr Tan as Chair of the Company, having considered his experience within the industry and his commitment to the success of the Company.</p> | | | | | | | | | | | | | | | | | | | | | | |
| <p>Recommendation 2.6</p> <p>A listed entity should have a program for inducting new directors and providing appropriate professional development opportunities for continuing directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.</p> | YES | <p>The Board Charter states that a specific responsibility of the Board is to procure appropriate professional development opportunities for Directors. The Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities.</p> | | | | | | | | | | | | | | | | | | | | | | |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

| Principle 3: Act ethically and responsibly | | |
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| <p>Recommendation 3.1</p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p> | YES | <p>(a) The Corporate Code of Conduct applies to the Company's directors, senior executives and employees.</p> <p>(b) The Company's Corporate Code of Conduct is in Schedule 2 of the Corporate Governance Plan which is on the Company's website.</p> |
| Principle 4: Safeguard integrity in financial reporting | | |
| <p>Recommendation 4.1</p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p style="padding-left: 20px;">(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">(ii) is chaired by an independent director, who is not the chair of the board,</p> <p style="padding-left: 20px;">and disclose:</p> <p style="padding-left: 20px;">(iii) the charter of the committee;</p> <p style="padding-left: 20px;">(iv) the relevant qualifications and experience of the members of the committee; and</p> <p style="padding-left: 20px;">(v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its financial reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | NO | <p>(a) Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.</p> |
| <p>Recommendation 4.2</p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> | YES | <p>The Company's Corporate Governance Plan states that a duty and responsibility of the Board is to ensure that before approving the entity's financial statements for a financial period, the CEO and CFO have declared that in their opinion the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p> |
| <p>Recommendation 4.3</p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> | YES | <p>The Company's Corporate Governance Plan provides that the Board must ensure the Company's external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p> |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

| Principle 5: Make timely and balanced disclosure | | |
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| <p>Recommendation 5.1</p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | YES | <p>(a) The Board Charter provides details of the Company's disclosure policy. In addition, Schedule 7 of the Corporate Governance Plan is entitled 'Disclosure – Continuous Disclosure' and details the Company's disclosure requirements as required by the ASX Listing Rules and other relevant legislation.</p> <p>(b) The Board Charter and Schedule 7 of the Corporate Governance Plan are available on the Company website.</p> |
| Principle 6: Respect the rights of security holders | | |
| <p>Recommendation 6.1</p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p> | YES | <p>Information about the Company and its governance is available in the Corporate Governance Plan which can be found on the Company website.</p> |
| <p>Recommendation 6.2</p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p> | YES | <p>The Company has adopted a Shareholder Communications Strategy which aims to promote and facilitate effective two-way communication with investors. The Shareholder Communications Strategy outlines a range of ways in which information is communicated to shareholders.</p> |
| <p>Recommendation 6.3</p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p> | YES | <p>The Shareholder Communications Strategy states that as a part of the Company's developing investor relations program, Shareholders can register with the Company Secretary to receive email notifications of when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links are made available to the Company's website on which all information provided to the ASX is immediately posted.</p> <p>Shareholders are encouraged to participate at all EGMs and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p> |
| <p>Recommendation 6.4</p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p> | YES | <p>Security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX.</p> <p>Shareholders queries should be referred to the Company Secretary at first instance.</p> |
| Principle 7: Recognise and manage risk | | |
| <p>Recommendation 7.1</p> <p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p style="margin-left: 20px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="margin-left: 20px;">(ii) is chaired by an independent director,</p> | NO | <ul style="list-style-type: none"> • Due to the size and nature of the existing Board and the magnitude of the Company's operations the Company currently has no Audit and Risk Committee. Pursuant to Clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Audit and Risk Committee under the written terms of reference for that committee. <p>The role and responsibilities of the Audit and Risk Committee are outlined in Schedule 3 of the Company's Corporate Governance Plan available</p> |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

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| <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the process it employs for overseeing the entity's risk management framework.</p> | | <p>online on the Company's website.</p> <p>The Board devote time at annual board meeting to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p> |
| <p>Recommendation 7.2</p> <p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> (a) review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, to determine whether there have been any changes in the material business risks the entity faces and to ensure that they remain within the risk appetite set by the board; and (b) disclose in relation to each reporting period, whether such a review has taken place. | <p>YES</p> | <ul style="list-style-type: none"> (a) The Company's process for risk management and internal compliance includes a requirement to identify and measure risk, monitor the environment for emerging factors and trends that affect these risks, formulate risk management strategies and monitor the performance of risk management systems. Schedule 8 of the Corporate Governance Plan is entitled 'Disclosure – Risk Management' and details the Company's disclosure requirements with respect to the risk management review procedure and internal compliance and controls. (b) The Board Charter requires the Board to disclose the number of times the Board met throughout the relevant reporting period, and the individual attendances of the members at those meetings. Details of the meetings will be provided in the Company's Annual Report. |
| <p>Recommendation 7.3</p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. | <p>NO</p> | <p>Schedule 3 of the Company's Corporate Plan provides for the internal audit function of the Company. The Board Charter outlines the monitoring, review and assessment of a range of internal audit functions and procedures.</p> <p>The Group's Chief Financial Officer reports to the Board regularly regarding financial performance.</p> |
| <p>Recommendation 7.4</p> <p>A listed entity should disclose whether, and if so how, it has regard to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p> | <p>YES</p> | <p>Schedule 3 of the Company's Corporate Plan details the Company's risk management systems which assist in identifying and managing potential or apparent business, economic, environmental and social sustainability risks (if appropriate). Review of the Company's risk management framework is conducted at least annually and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.</p> |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

| Principle 8: Remunerate fairly and responsibly | | |
|--|------------|---|
| <p>Recommendation 8.1</p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p style="padding-left: 20px;">(i) has at least three members, a majority of whom are independent directors; and</p> <p style="padding-left: 20px;">(ii) is chaired by an independent director,</p> <p style="padding-left: 40px;">and disclose:</p> <p style="padding-left: 20px;">(iii) the charter of the committee;</p> <p style="padding-left: 20px;">(iv) the members of the committee; and</p> <p style="padding-left: 20px;">(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>NO</p> | <p>Due to the size and nature of the existing board and the magnitude of the Company's operations, the Company currently has no Remuneration Committee. Pursuant to clause 4(h) of the Company's Board Charter, the full Board currently carries out the duties that would ordinarily be assigned to the Remuneration Committee under the written terms of reference for that committee.</p> <p>The role and responsibilities of the Remuneration Committee are outlined in Schedule 4 of the Company's Corporate Governance Plan available online on the Company's website.</p> <p>The Board devote time at annual board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>The Company's Corporate Governance Plan requires the Board to disclose its policies and practices regarding the remuneration of non-executive, executive and other senior directors.</p> |
| <p>Recommendation 8.2</p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives and ensure that the different roles and responsibilities of non-executive directors compared to executive directors and other senior executives are reflected in the level and composition of their remuneration.</p> | <p>YES</p> | <p>Details of the Company's policies and practices are included in the 'Remuneration Report' within the Annual Report. Details of compensation for Directors and senior management are also disclosed within the 'Remuneration Report'.</p> |
| <p>Recommendation 8.3</p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>YES</p> | <p>(a) Company's Corporate Governance Plan states that the Board is required to review, manage and disclose the policy (if any) on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme. The Board must review and approve any equity based plans.</p> <p>Under the Company's Securities Trading Policy, employees are prohibited from entering into transactions or arrangements which could have the effect of limiting their risk relating to an element of their remuneration that has not vest.</p> <p>The Securities Trading Policy can be found on the Company's website.</p> <p>During the year, there were no equity based remuneration schemes</p> <p>(b) A copy of the Company's Corporate Governance Plan is available on the Company's website.</p> |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT

Your directors present their report, together with the financial statements of the Success Resource Global Limited, being the company ("the Company") and its controlled entities ("Group" or "Consolidated Group"), for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

The names of directors in office at any time during or since the end of the year are:

| Key Management Person | Position |
|-------------------------------|-----------------------------|
| Tan Poh Choon, Richard | Chairman, Managing Director |
| Michael Lane | Executive Director |
| Brian Forte | Non-Executive Director |
| John Day | Non-Executive Director |
| Jason Gavin Davis | Non-Executive Director |
| Oliver Tham | Non-Executive Director |

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

Company Secretary

Effective from 1 September 2014, Emma Lawler resigned and Mr Jay Stephenson was re-appointed as company secretary on the same day.

Mr Jay Richard Stephenson — Chartered Secretary (FCIS), Master of Business Administration (MBA), Fellow of the Certified Practising Accountants (FCPA), Certified Management Accountant (CMA), Member of the Australian Institute of Company Directors (MAICD).

Mr Jay has been involved in business development for over 20 years including approximately 16 years as Director, Chief Financial Officer and Company Secretary for various listed and unlisted entities in resources, manufacturing, wine, hotels and property. He has been involved in business acquisitions, mergers, initial public offerings, capital raisings, business restructuring as well managing all areas of finance for companies.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the Group during the year were organising seminars which promote the business and personal development programmes of world famous speakers across Australia, United States, Singapore, Malaysia and other parts of Asia.

Operating Results

The consolidated loss after providing for income tax of the Group amounted to \$14,083,206 (2014: loss \$8,782,716). This was mainly due to amortisation of intangible assets, impairment on goodwill and impairment of loan receivables amounting to \$14,784,738 (2014: \$7,734,596). Without these non-operational items, the Group posted a net profit as opposed to the statutory profit after tax of \$701,531 compared to a net loss after tax of \$1,048,120 in the previous year.

Dividends Paid or Recommended

No dividends were paid or declared for payment during the financial year.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT

Commentary on variation from preliminary results for the year and significant information

Following the release of the preliminary financial report to the market, the results and financial position of the Group changed subsequently due to the following:

Under the pooling of interests method accounting, all the assets and liabilities of the Group should have recorded at book values. However, in the preliminary financial report, the Group had recognised intangible assets at fair values on the acquisition of the business assets from Success Resources Pte Ltd and Success Resources Sdn Bhd. As a result, the intangible assets amounting to \$5,785,862 and amortisation of intangible assets amounting to \$549,085 which were previously recognised are now de-recognised and recognised in the common control reserve.

In addition, the carrying amount of loans to Success Resources USA LLC and New Peaks LLC amounting to \$6,314,175 had been fully impaired prior at acquisition of the business assets of Success Resources Pte Ltd. In order to reflect the actual book values at acquisition, the impairment of these loans amounting to \$6,234,545 was recognised in the statement of profit or loss.

Below is the summary showing the impact of the changes on the performance and position of the Group:

| | 30.06.2015 Final | 30.06.2015 Preliminary | Movement |
|---|-----------------------------|-----------------------------------|-----------------|
| Revenue from ordinary activities | 16,771,962 | 16,895,313 | (123,351) |
| Loss after tax from ordinary activities attributable to members | (14,083,026) | (7,943,538) | (6,139,668) |
| Net assets | 9,387,408 | 15,013,919 | (5,626,511) |

Review of Operations for the Year

Effective from 1 September 2014, Emma Lawler, the Company Secretary resigned and Mr Jay Stephenson was re-appointed as Company Secretary.

On 2 October 2014, the Company changed its registered office to Level 9, 368 Sussex Street Sydney NSW 2000.

On 17 November 2014, the Company gained the approval of shareholders through the Annual General Meeting and reached agreement to acquire:

- The intellectual property rights, business intellectual property and business assets of Success Resources Pte Ltd for a total consideration of \$16,666,667 (comprising the issue of 83,333,333 shares valued at \$0.20 per share);
- The intellectual property rights, business intellectual property and business assets of Success Resources Malaysia Sdn Bhd for a total consideration of \$5,555,556 (comprising the issue of 27,777,778 shares valued at \$0.20 per share);
- All the shares in Empowernet International Pty Ltd for a total consideration of \$11,111,111 (comprising the issue of 55,555,556 shares valued at \$0.20 per share).

DIRECTORS' REPORT

Review of Operations for the Year

On 19 November 2014, the Company issued a prospectus offering up to 75,000,000 new shares at an issue price of \$0.20 each to raise up to \$15,000,000. The Company subsequently lodged a Replacement Prospectus with ASIC on 5 December, 2014 offering up to 37,500,000 new ordinary shares at an issue price of \$0.20 each to raise up to \$7,500,000. Public offer applications were opened on 11 December 2014 with a closing date extended to 27 February 2015. By 17 February 2015, the Company had exceeded the minimum subscription of 15 million shares raising \$3 million. The proceeds from the offer will be used as working capital to progress the Group's business goals and expansion plans.

Following an addendum to the conditions precedent to the acquisition approved by the shareholders at the Annual General Meeting, on 17 November 2014, the Company acquired a 100% interest of Empowernet International Pty Ltd, intellectual property rights and business assets of Success Resources Pte Ltd and Success Resources Sdn Bhd effective on 1 January 2015. The acquisition will result in the consolidation of existing and similar businesses to create an international group with operations in Australia, Singapore and Malaysia.

On 1 January 2015, Success Resources Singapore Pte Ltd entered into a Joint Venture Agreement with Success Resources UK Limited to organise and stage two seminars, the companies mutually agreed on for the term from 1 January to 30 June 2015. Under the terms of the Agreement, each party is entitled to 50% of the net profits of the Joint Venture.

On 23 January 2015, 287 Redeemable Convertible Notes with a face value amount per Note of \$20,000 were fully converted into 35,875,000 ordinary shares at a strike price of \$0.16 per share upon completion of the Company's purchase of 100% of the business assets from Success Resources Pte Ltd.

On 17 February 2015, 493,831 ordinary shares were issued at \$0.16 per share to the Company's employees and business partners for cash.

On 30 April 2015, the Company announced a strategic partnership with ARHT Media Inc. to develop a global license and distribution partnership and, implementing ARHT's holographic display technology in a variety of applications. The two companies will work jointly develop a global license and distribution partnership, implementing SRHT's holographic display technology in a variety of applications. It is expected that ARHT and the Company will develop pilot programs over the coming months for deployment to market.

As of the end of this reporting date, the Company has acquired Empowernet International Pty Ltd and the business assets of both Success Resources Singapore Pte Ltd and Success Resources Malaysia Sdn Bhd to facilitate the acquisition of events management and promotions companies with operations in Asia. The Company wishes to formalise its alliances to globalise its reach through building a network of allied entities carrying on similar business activities. Collectively, these entities and associates have substantial personal contacts and relationships and extensive experience in the promotion of live events where top speakers can command appearance fees in excess of \$500,000.

DIRECTORS' REPORT

Review of Operations for the Year

Financial Position

The net assets of the Group as at 30 June 2015 is \$9,387,408 increased from net liabilities of \$2,093,573 as at 30 June 2014. The Group's working capital, being current assets less current liabilities, improved from a deficiency of \$9,242,422 in 2014 to a deficiency of \$5,325,593 as at 30 June 2015.

Impairment on Goodwill

The Group is currently carrying goodwill of \$9,335,037 in its statement of financial position. The Board has assessed the indicators of impairment and have come to the conclusion that a \$7,580,283 impairment loss should be recognised in the statement of profit or loss and other comprehensive income as a result of actual cash flows being less than previously expected.

Amortisation of intangible assets

The Group is currently carrying intangible assets of \$5,531,033 in its statement of financial position. The Board has assessed the useful lives of the finite life intangible assets based upon the period over which the assets are expected to generate cash flows. As such an amortisation charge of \$530,373 is recognised in the statement of profit or loss and other comprehensive income.

Impairment on loan receivables and financial assets

During the financial year, in determining the recoverability of the loan receivables, the Board considers any change in the credit quality of the loan receivables from the date credit was initially granted up to the end of the reporting period. Included in the allowance for doubtful debts are individually impaired loan receivables amounting to \$2,868,721. Subsequent to the acquisition of Success Resources Singapore Pte Ltd, the carrying amount of the loans to Success Resources USA LLC and New Peaks LLC amounting to \$6,314,175 have been fully impaired as the estimated future cash flows are not expected to be sufficient to repay the loans during the term of the loans.

Accordingly, on acquisition of Empowernet International Pty Ltd, the directors made a full provision for the loans to New Peak LLC and Success Resources USA LLC amounting to \$5,870,371.

Investment In Joint Venture

Success Resources Singapore Pte Ltd (the subsidiary) ("SRS") entered into a Joint Venture Agreement with Success Resources UK Limited ("SRUK") for the period from January 2015 to June 2015. The principal place of business of this arrangement is in the United Kingdom and the primary purpose of the joint venture is SRUK to market and promote the Joint Venture to its customer databases, coordinate and make all necessary arrangements with the venues and speakers to conduct the seminars while SRS provides to SRUK assistance and support by way of consulting services in relation to the systems, implementation, programming and other know-how necessary to engage a speaker, sign a client contract and promote and conduct the seminars. Under the terms of the agreement, each party is entitled to 50% of the net profits of the joint venture.

Significant Changes in State of Affairs

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

On 17 November 2014, the Company gained the approval of shareholders through the Annual General Meeting and reached agreement to acquire:

- The intellectual property rights, business intellectual property and business assets of Success Resources Pte Ltd for a total consideration of \$16,666,667 (comprising the issue of 83,333,333 shares valued at \$0.20 per share);
- The intellectual property rights, business intellectual property and business assets of Success Resources Malaysia Sdn. Bhd. for a total consideration of \$5,555,556 (comprising the issue of 27,777,778 shares valued at \$0.20 per share);
- All the shares in Empowernet International Pty Ltd for a total consideration of \$11,111,111 (comprising the issue of 55,555,556 shares valued at \$0.20 per share).

Other than the above, there were no significant changes in the state of affairs of the company as at the reporting date.

DIRECTORS' REPORT

Events after the Statement of Financial Position Date

On 3 July 2015, 190,476 fully paid ordinary shares at \$0.1575 per share were issued to the consultant, Sekel Oshry in lieu of legal fees.

Except as stated above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group in future financial years.

Likely Developments In The Operations And Expected Results In The Future Years

The combined entities will seek to grow revenues and profit by continuing to expand its geographical footprint, with China, Japan, India, Eastern Europe and South America being key markets; continuing to grow in large prospective existing markets, such as the US and South-east Asia and grow back-end sales by lengthening the customers sales cycle through online delivery as well as increasing the wallet size of customers and improve efficiencies through the consolidation of IT platforms.

In Asia, the Company foresees significant potential in the markets of China, Japan, and India. The target market in China is the wealthy and aspirational rising middle class. As a familiar story, while this segment of Chinese society is small in percentage terms it is very significant in absolute numbers, and growing. Many members of this socio-economic segment pursue Western economic goals, and the messages from the likes of Tony Robbins feed nicely into these aspirations.

The Group has plans to acquire Success Resources UK Limited ("SR UK") which presently operates in a number of western European countries, namely the UK, Ireland, Spain, Germany, Italy, the Netherlands, Norway and Poland. It intends to push into Eastern Europe, which it views as fertile virgin markets with a rising middle class and limited competitors. The European initiatives will be based on geographic expansion, continuing to expand the number of events in existing markets and, importantly, expanding back-end or follow-up sales, partly by translating materials into local languages to facilitate follow-up events, seminars and workshops.

United States operations will continue to focus on expanding existing product sales. The opportunities in this market are significant by virtue of market size alone. Additionally, it is a market where follow-up and back end sales opportunities are at their most advanced. Management provided a good example to illustrate the potential: a property investment seminar may lead to more detailed follow-up courses on actually investing in property, followed by a property search service provided, then a mortgage search service provided, and so on. The event management company would essentially take an introductory fee on the latter services. Additionally, the company will use the US operations to launch selectively into South American markets. This initiative is advanced, with the company having booked a number of events for the 2015 period.

There are huge future growth opportunities, particularly in the Asia, Eastern European, South American and North American markets, where the population is much greater and the economies of scale larger. The Company wishes to expand the business beyond Australia and become a global market leader in this industry. Currently, the company is in the process of negotiating an option (exercise of which is subject to shareholder approval) to acquire Success Resources USA LLC and New Peaks LLC.

The Group will continue to pursue its policy enhancing the prospect of greater returns to investors through strategic investments in the next few financial years.

Environmental Issues

The Consolidated Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT

Information on the Directors

| | |
|---|---|
| Tan Poh Choon, Richard | — Chairman, Managing Director |
| Qualifications/ Experience | <ul style="list-style-type: none">— Technical Diploma in Electrical Engineering— CEO of Success Resources International, comprising a group of companies in Success Resources and SkyQuestCom. Under his leadership, Success Resources International has grown to become Asia's largest seminar organizer, with events in over 15 countries. The company has been successful in attracting internationally acclaimed gurus and thought leaders to speak at its events. These include Anthony Robbins, Robert Kiyosaki, Michael Porter and former United States President Bill Clinton. <p>In 2003, the Singapore government acknowledged Richard's vast achievements as the model for successful entrepreneurs, by awarding him the prestigious Phoenix Award. The Phoenix Award is given to just one successful entrepreneur from Singapore each year.</p> <p>Formerly the Director of Meta Group Asia Pacific, a strategic IT analysis and consultancy firm.</p> |
| Interest in Shares and Options | — Indirect interest of 34,729,788 (29%) shares held in Success Resources Global Ltd (Cayman Islands) (Ultimate Holding Company and sole shareholder of immediate holding company, Success Resources International Pte Ltd, which holds a 57.6% interest in the Company) |
| Directorships held in other listed entities over the past 3 years | — Nil |
| Michael Lane | — Executive Director (Appointed on 21 st October 2013) and Chief Executive Officer of Empowernet International Pty Ltd (Appointed on 1 January 2015) |
| Qualifications/ Experience | <ul style="list-style-type: none">— Michael is a global expert within the personal and professional development industry, successfully running events in Australia, New Zealand, Singapore, Malaysia, South Africa, USA, Europe and the UK. <p>With over 12 years' experience, he is actively involved in all aspects of both small and large scale event management including commercial viability, development, promotion, execution and sales management. Michael is an exceptional relationships manager, building and maintaining trusted commercial relationships with many local and international celebrities, speakers and businesses including Donald Trump, Tony Robbins, T Harv Eker, Robert Kiyosaki Mark Bouris of Yellow Brick Road Wealth Management and Sir Richard Branson of the The Virgin Group.</p> <p>With his unique and engaging leadership style, Michael has been instrumental in building teams, creating strong systems and achieving record results not only in Australia but globally.</p> |
| Interest in Shares and Options | 12,150 |
| Directorships held in other listed entities over the past 3 years | — Nil |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT

Information on the Directors

| | |
|---|--|
| Brian Forte | — Non-Executive Director (Appointed on 21 st October 2013) |
| Qualifications/ Experience | — Brian is a Co-Founder and CEO of Get Motivated Seminars 2001-2012 as well as Co-Founder and Producer of Success Events International 1986 – 2001 For almost 30 years, Brian Forte has produced the world's largest and most successful business seminars. His programs have featured six US Presidents, countless heads-of-state and the world's most successful personalities from Sports, Media, Business, Finance and Entertainment. |
| Interest in Shares and Options | Nil |
| Directorships held in other listed entities over the past 3 years | — Nil |
| John Day | — Non-Executive Director |
| Qualifications/ Experience | — Co-founder of national financial education group HomeTrader. John has over 10 years relevant industry experience and is a senior financial advisor specialising in equities and derivatives trading |
| Interest in Shares and Options | 545,500 Shares |
| Directorships held in other listed entities over the past 3 years | — Nil |
| Jason Gavin Davis | — Non-Executive Director |
| Qualifications/ Experience | — Diploma of Financial Services (Financial Markets), ASIC Statement 146 compliant for Derivatives, Securities, Foreign Exchange, Managed Investments, Generic & Skills. — Founding director of Success Resources Global Ltd, member of the Australian Compliance Institute and the Australian Institute of Company Directors. Mr. Davis is a Perth Regional Head with National stockbroking firm BBY and an active Investor in early stage companies. Mr. Davis's expertise is in the area of corporate finance, capital raising, venture capital investment and business development. |
| Interest in Shares and Options | 500,000 Shares |
| Directorships held in other listed entities over the past 3 years | — Non-Executive Chairman of Erin Resources Limited (resigned on 25 September 2012) |
| Oliver Tham | — Non-Executive Director |
| Qualifications/ Experience | Bachelor of Mechanical Engineer — Extensive experience in all facets of the Property industry including development of commercial and residential properties in Australia and overseas and master planning of several major project developments in Asia. Mr Tham has helped develop business concepts for IT based companies and assisted several upstart companies which eventually became publicly listed. Mr. Tham is currently undertaking the planning and development of a major Integrated Resorts Development in Bookara Beach in Western Australia. |
| Directorships held in other listed entities over the past 3 years | — Nil |

DIRECTORS' REPORT

Information on the Company Secretaries

- Emma Lawler** — Company Secretary (appointed 18 September 2013 and resigned on 31 August 2014)
- Qualifications — Fellow of Chartered Secretaries Australia; Bachelor of Business, Graduate Diploma in Applied Corporate Governance.
- Jay Stephenson** — Company Secretary (resigned 18 September 2013 and re-appointed on 1 September 2014)
- Qualifications — Fellow of Certified Practising Accountants; Certified Management Accountant; Member Australian Institute of Company Directors; Master of Business Administration; Fellow Institute of Chartered Secretaries Australia.

Meetings of Directors

During the financial year, 3 meetings of directors were held. Attendances by each director during the year were as follows:

| DIRECTORS' MEETINGS | | |
|-----------------------|--------------------|----------|
| DIRECTORS | ELIGIBLE TO ATTEND | ATTENDED |
| Richard Tan Poh Choon | 3 | 3 |
| Michael Lane | 3 | 3 |
| Brian Forte | 3 | 1 |
| Jason Gavin Davis | 3 | 3 |
| John Day | 3 | 3 |
| Oliver Tham | 3 | 2 |

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, set out information about the remuneration of Success Resources Global Limited's key management personnel for the financial year ended 30 June 2015. The term 'key management personnel' refer to those persons having authority and responsibility for planning, directing, controlling the activities of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the consolidated entity.

Remuneration policy

The remuneration policy of Success Resources Global Limited has been designed to align director and executive objectives with shareholder and business objectives. The board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company and Consolidated Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the Consolidated Group is as follows:

- The remuneration structure for executive officers, including executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Consolidated Group. The contracts for service between the Consolidated Group and directors and executives are on a continuing basis. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Consolidated Group can terminate employment at any time..
- The Consolidated Group seeks to emphasise payment for results through providing various cash bonus reward schemes, specifically, the incorporation of incentive payments based on the achievement of sales targets and return on equity ratios. Bonuses are based on these targets. The objective of the reward schemes is to both reinforce the short and long-term goals of the Consolidated Group and to provide a common interest between management and shareholders. No bonuses were paid in the year ended 30 June 2015.

All remuneration paid to directors and executives is valued at the cost to the Consolidated Group and expensed.

Details of key management personnel of the Consolidated Group during the year were:

| Executives | Position |
|------------------------|--|
| Tan Poh Choon, Richard | Executive Chairman and Managing Director |
| Michael Burnett | Chief Executive Officer (appointed on 1 March 2015) |
| Michael Lane | Executive Director |
| Peggy Chan | Chief Financial Officer |
| Emma Lawler | Company Secretary (appointed on 18 September 2013 and resigned on 31 August 2014) |
| Jay Stephenson | Company Secretary (resigned on 18 September 2013 and re-appointed on 1 September 2014) |
| Non- Executives | Position |
| Brian Forte | Non-Executive Director |
| John Day | Non-Executive Director |
| Jason Gavin Davis | Non-Executive Director |
| Oliver Tham | Non-Executive Director |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT
REMUNERATION REPORT (AUDITED)

Options Granted as Remuneration

No options were granted as remuneration in 2015 and 2014.

Key Management Personnel Remuneration

The remuneration for each director and executive officer of the Group receiving the remuneration during the year was as follows:

| | Short-term Benefits | | | | Post-employment Benefits | Total | Total Remuneration Represented Performance Related | |
|--------------------------------|----------------------------|-------------------|------------------|-------|--------------------------|---------|--|---------|
| | Cash, salary & commissions | Cash profit share | Non-cash benefit | Other | Superannuation | | by Options | Related |
| 2015 | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| Executive Directors | | | | | | | | |
| Richard Tan | 140,000 | - | 824 | - | - | 140,824 | - | - |
| Michael Lane | 206,701 | - | 824 | - | - | 207,525 | - | - |
| Michael Burnett ¹ | 150,105 | - | - | - | 17,793 | 167,898 | - | - |
| Peggy Chan ² | - | - | - | - | - | - | - | - |
| Jay Stephenson ³ | - | - | - | - | - | - | - | - |
| Emma Lawler ⁴ | - | - | - | - | - | - | - | - |
| Non-Executive Directors | | | | | | | | |
| Brian Forte | - | - | 824 | - | - | 824 | - | - |
| John Day | 9,075 | - | 823 | - | - | 9,898 | - | - |
| Jason Gavin Davis | 9,075 | - | 823 | - | - | 9,898 | - | - |
| Oliver Tham | 5,500 | - | 824 | - | - | 6,324 | - | - |
| | 520,456 | - | 4,942 | - | 17,793 | 543,191 | | |

¹ Balance at the end of year represents chief executive officer's remuneration from the date of appointment 1 March 2015

² Ms Peggy Chan was employed by Success Resources International Pte Ltd (Immediate parent entity) and \$119,218.50 short term employee benefit was payable to her.

³ \$104,726 (2014: \$53,767) was paid to Wolfstar Group Pty Ltd for the company secretarial and accounting services, a Company of which Mr Stephenson is a director

⁴ \$7,999 (2014: \$30,172) was paid to Company Matters Pty Ltd for the company secretarial services, a Company of which Ms Emma Lawler is a National Manager

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT
REMUNERATION REPORT (AUDITED)

Key Management Personnel Remuneration

| 2014 | Short-term Benefits | | | | Total | Total Remuneration Represented by Options | Performance Related |
|--------------------------------|----------------------------|-------------------|------------------|-------|--------|---|---------------------|
| | Cash, salary & commissions | Cash profit share | Non-cash benefit | Other | | | |
| | \$ | \$ | \$ | \$ | \$ | % | % |
| Executive Directors | | | | | | | |
| Richard Tan | - | - | 933 | - | 933 | - | - |
| Michael Lane ¹ | 60,359 | - | 559 | - | 60,918 | - | - |
| Peggy Chan ² | - | - | - | - | - | - | - |
| Jay Stephenson ³ | - | - | - | - | - | - | - |
| Emma Lawler ⁴ | - | - | - | - | - | - | - |
| Non-Executive Directors | | | | | | | |
| Brian Forte ¹ | - | - | 559 | - | 559 | - | - |
| John Day | 9,075 | - | 933 | - | 10,008 | - | - |
| Jason Gavin Davis | 9,075 | - | 933 | - | 10,008 | - | - |
| Oliver Tham | 5,500 | - | 933 | - | 6,433 | - | - |
| | 84,009 | - | 4,850 | - | 88,859 | | |

¹ Balance at the end of year represents executive director's remuneration from the date of appointment 21 October 2013

² Ms Peggy Chan was employed and remuneration was paid by Success Resources International Pte Ltd (Immediate parent entity)

³ \$63,767 (2013: \$55,500) was paid to Wolfstar Group Pty Ltd for the company secretarial and accounting services, a Company of which Mr Stephenson is a director

⁴ \$30,172 was paid to Company Matters Pty Ltd for the company secretarial services, a Company of which Ms Emma Lawler is a National Manager

Service Agreements

Executive Contractor Service Agreement with Blessed Global Pte Ltd

On 1 March 2015, the Group engaged Blessed Global Pte Ltd, a company of which related to Mr Richard Tan to provide services of management and financial duties normally expected of the position of managing director for Success Resources Global Ltd for the term of 3 years.

In consideration for services provided, Blessed Global was entitled to \$420,000 contract fee per annum. The contractor is also entitled to an annual bonus payment based on the EBITDA earned by the Company in previous financial year. The base incentive is 1% of EBITDA earned by the Company is \$6 million or more but less than \$7 million for the financial year 30 June 2015. The bonus increases at the rate of 1% of EBITDA for each additional \$1 million EBITDA earned by the Company to a maximum of 6% of EBITDA if the EBITDA earned by the Company is \$11 million or more but less than \$12 million. The bonus increases by an additional 1.5% of EBITDA earned by the Company is \$12 million or more. The milestones for future financial years will be set by the Board each year.

This service agreement may be terminated by either party giving to the other 6 months' written notice.

DIRECTORS' REPORT

REMUNERATION REPORT (AUDITED)

Executive Employment Service Agreement with Michael Burnett

On 1 March 2015, the Group engaged Mr. Michael Burnett to provide services of the position of Chief Executive Officer for Success Resources Global Ltd for the term of 3 years.

In consideration for services provided, Mr. Burnett was entitled to \$420,000 base salary per annum. The employee is also entitled to an annual bonus payment based on the EBITDA earned by the Company in previous financial year. The base incentive is 1% of EBITDA earned by the Company is \$6 million or more but less than \$7 million for the financial year 30 June 2015. The bonus increases at the rate of 1% of EBITDA for each additional \$1 million EBITDA earned by the Company to a maximum of 6% of EBITDA if the EBITDA earned by the Company is \$11 million or more but less than \$12 million. The bonus increases by an additional 1.5% of EBITDA earned by the Company is \$12 million or more. The milestones for future financial years will be set by the Board each year.

This service agreement may be terminated by either party giving to the other 6 months' written notice.

Service Agreement with Company Matters Pty Ltd

On 5 September 2013, the Group engaged Company Matters Pty Ltd ("Company Matters"), a company of which related to Ms. Emma Lawler to provide company secretarial services and act as company secretary.

In consideration for the services provided, Company Matters was entitled to a monthly retainer of \$2,400 (plus GST) for 12 hours per month. Should the time exceed 12 hours in any month, additional time will be charged at an agreed hourly rate. The Company will reimburse Company Matters for all reasonable out-of-pocket expenses incurred including, but not limited to, printing, courier, travel and of any other advisers and consultants as required.

This service agreement may be terminated by the Company by 1 month' notice at any time. The service agreement was terminated upon resignation of Ms. Emma Lawler on 31 August 2014.

Service Agreement with Wolfstar Corporate Management Pty Ltd

On 14 August 2014, the Group engaged Wolfstar Corporate Management Pty Ltd ("Wolfstar"), a company of which related to Mr. Jay Stephenson to provide company secretarial services and act as company secretary.

In consideration for the services provided, Wolfstar was entitled to a monthly retainer of \$1,920 (plus GST) for 12 hours per month. Should the time exceed 12 hours in any month, additional time will be charged at an agreed hourly rate. The Company will reimburse Wolfstar for all reasonable out-of-pocket expenses incurred including, but not limited to, printing, courier, travel and of any other advisers and consultants as required.

This service agreement may be terminated by the Company by 1 months' notice at any time.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT
REMUNERATION REPORT (AUDITED)

KMP Shareholdings

The number of ordinary shares in Success Resources Global Limited held by each KMP of the Group during the financial year is as follows:

| | Balance at 1 July 2014 | Acquired during the year | Exercised during the year | Other changes during the year | Balance at 30 June 2015 |
|-------------------|-----------------------------------|-------------------------------------|--------------------------------------|--|------------------------------------|
| 2015 | | | | | |
| Richard Tan | - | - | - | - | - |
| Michael Burnett | - | - | - | - | - |
| Michael Lane | 12,150 | - | - | - | 12,150 |
| Peggy Chan | - | - | - | - | - |
| Brian Forte | - | - | - | - | - |
| Jason Gavin Davis | 500,000 | - | - | - | 500,000 |
| John Day | 545,500 | - | - | - | 545,500 |
| Oliver Tham | - | - | - | - | - |
| Total | 1,057,650 | - | - | - | 1,057,650 |
| 2014 | | | | | |
| Richard Tan | - | - | - | - | - |
| Michael Lane | - | 12,150 | - | - | 12,150 |
| Peggy Chan | - | - | - | - | - |
| Brian Forte | - | - | - | - | - |
| Jason Gavin Davis | 10,000,000 | - | - | (9,500,000) ¹ | 500,000 |
| John Day | 10,000,000 | - | - | (9,454,500) ¹ | 545,500 |
| Oliver Tham | - | - | - | - | - |
| Total | 20,000,000 | 12,150 | - | (18,954,500) | 1,057,650 |

¹ On 8th January 2014, the holding company completed 1 for 20 share consolidation

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' REPORT
REMUNERATION REPORT (AUDITED)

KMP Options and Rights Holdings

There were no KMP options and rights holding in 2014 and 2015.

Loan to Key Management Personnel

The Group has provided several of its key management personnel with short term loans at rates comparable to the average commercial rate of interest.

The loans to key management personnel are unsecured.

The following table outlines aggregate amounts in relation to loans made to key management personnel to the Group.

Key Management Personnel Loans

| | Balance at Beginning of year | Interest Charged | Offset ¹ | Provision for Doubtful Debts | Balance at End of Year | Number of key management personnel |
|---------------------------------|------------------------------------|---------------------|---------------------|------------------------------------|---------------------------|--|
| | \$ | \$ | | \$ | \$ | No. |
| Key Management Personnel | | | | | | |
| 2015 | 41,401 | 10,082 | (18,150) | - | 33,333 | 2 |
| 2014 | 70,904 | 10,578 | (40,081) | - | 41,401 | 2 |

¹ Refers to the offsetting outstanding loans against accrued directors' fee as approved by the Board.

On October 2005, the Group, with the approval of shareholders, loaned the sum of \$160,000 to Mr John Day and \$140,000 to Mr Jason Gavin Davis to exercise options and thereby convert those options to shares. The loans are unsecured. The term of the loan is for 5 years from the drawdown year. The interest rate on the loan moneys is the Reserve Bank cash rate plus 1%. Interest payable is offset against the management fee charged by the directors this financial year. On 8 May 2009, the shareholders gave their approval at the General Meeting to vary these loans by extending the termination date from 5 October 2010 to 5 October 2015 and the interest rate remains unchanged.

END OF REMUNERATION REPORT

DIRECTORS' REPORT

Indemnifying Officers

The Group has paid premiums to insure all of its Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$4,989 which covers the professional indemnity up to \$5 million on one claim.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such officer or auditor.

Options

There have been no options granted over unissued shares or interest of the Company or any controlled entity within the Group during or since the end of the reporting period,

There have been no options issued to directors and executives as remuneration during or since the end of the reporting period,

There have been no options granted over unissued shares or interest of the Company or any controlled entity within the Group during or since the end of the reporting period.

Proceedings on Behalf of Group

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

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

Non-audit Services

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: *Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2015:

| | \$ |
|---|-------------|
| Taxation compliance and advisory services | 15,000 |
| Corporate services – Due Diligence | 48,500 |
| | <hr/> |
| | 63,500 |
| | <hr/> <hr/> |

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on the following page.

The directors' report incorporating the remuneration reports is signed in accordance with a resolution of the Board of Directors made pursuant to s298(2) of the Corporations Act 2001.



Richard Tan

Executive Chairman

Dated this 30th day of September 2015

**SUCCESS RESOURCES GLOBAL LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
SUCCESS RESOURCES GLOBAL LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb

Graham Webb
Partner
Dated: 30 September 2015

A member of AGN
International Ltd, a
worldwide association
of separate and
independent
accounting
and consulting firms

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**
 FOR YEAR ENDED 30 JUNE 2015

| | Note | 2015 \$ | 2014 \$ |
|---|-------|------------------------|------------------------|
| Revenue | 2 | 16,771,962 | 7,705,950 |
| Other income | 2 | 813,818 | 332,986 |
| Contract work expenses | | (1,556,286) | (3,056,321) |
| Commission expenses | | (2,286,531) | (781,583) |
| Marketing expenses | | (1,117,550) | (788,857) |
| Production expenses | | (8,979,465) | (3,239,728) |
| Depreciation expenses | 3, 13 | (100,775) | (5,402) |
| Amortisation of intangible assets | 3, 14 | (530,373) | - |
| Employee benefits expenses | | (2,924,454) | (64,777) |
| Finance costs | 3 | (425,880) | (506,693) |
| Impairment of goodwill | 3, 14 | (7,580,283) | (2,076,554) |
| Impairment of loan receivables and financial assets | 3 | (6,674,082) | (5,658,042) |
| Rental expenses | 3 | (440,592) | (244,319) |
| Other expenses | | (1,233,612) | (389,448) |
| Share of net profits of joint venture | 9 | 1,539,743 | - |
| Loss before income tax | | (14,724,360) | (8,772,788) |
| Income tax benefit/(expense) | 4 | 641,154 | (9,928) |
| Loss for the year | | (14,083,206) | (8,782,716) |
| Other comprehensive loss | | | |
| Items that will be reclassified subsequently to profit or loss when specific conditions are met: | | | |
| Acquisition through common control transactions | 21 | (17,985,537) | - |
| Exchange differences on translating foreign operations | | 265,659 | - |
| Other comprehensive loss for the year | | (17,719,878) | - |
| Total comprehensive loss attributable to members of the parent entity | | | |
| | | (31,803,084) | (8,782,716) |
| Loss per share | | | |
| | | Cents per share | Cents per share |
| Basic and diluted loss per share | 6 | (8.67) | (14.56) |

The accompanying notes form part of these financial statements.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

| | Note | 2015 \$ | 2014 \$ |
|--|------|--------------|--------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 7 | 708,270 | 312,798 |
| Trade and other receivables | 8 | 4,614,618 | 1,339,300 |
| Other assets | 11 | 909,198 | 755,347 |
| Current tax assets | 4 | 58,044 | - |
| Total Current Assets | | 6,290,130 | 2,407,445 |
| Non-Current Assets | | | |
| Trade and other receivables | 8 | 65,733 | 55,651 |
| Investment accounted for using the equity method | 9 | 1,600,663 | |
| Financial assets | 10 | - | 3,015,430 |
| Deferred tax assets | 4 | 1,001,307 | 349,408 |
| Plant and equipment | 13 | 727,973 | 16,047 |
| Intangible assets | 14 | 14,866,070 | 4,242,803 |
| Total Non-Current Assets | | 18,261,746 | 7,679,339 |
| Total Assets | | 24,551,876 | 10,086,784 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 15 | 9,889,563 | 5,048,302 |
| Provisions | 16 | 94,459 | - |
| Financial liabilities | 17 | 1,631,701 | 6,601,565 |
| Total Current Liabilities | | 11,615,723 | 11,649,867 |
| Non-Current Liabilities | | | |
| Financial liabilities | 17 | 3,382,365 | 408,688 |
| Provisions | 16 | 79,245 | - |
| Deferred tax liabilities | 4 | 87,135 | 121,802 |
| Total Non-Current Liabilities | | 3,548,745 | 530,490 |
| Total Liabilities | | 15,164,468 | 12,180,357 |
| Net Assets/(Liabilities) | | 9,387,408 | (2,093,573) |
| Equity | | | |
| Issued capital | 18 | 56,935,102 | 13,651,037 |
| Reserves | 22 | (17,719,878) | - |
| Accumulated losses | | (29,827,816) | (15,744,610) |
| Total Equity | | 9,387,408 | (2,093,573) |

The accompanying notes form part of these financial statements.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2015

| | Issued Capital | Accumulated Losses | Foreign Currency Translation Reserve | Common Control Reserve | Total |
|--|-------------------|-----------------------|---|---------------------------|---------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2014 | 13,651,037 | (15,744,610) | - | - | (2,093,573) |
| Comprehensive loss | | | | | |
| Loss for the year | - | (14,083,206) | - | - | (14,083,206) |
| Other comprehensive loss for the year | - | - | 265,659 | (17,985,537) | (17,719,878) |
| Total comprehensive loss | - | (14,083,206) | 265,659 | (17,985,537) | (31,803,084) |
| Transactions with owners, in their capacity as owners, and other transfer | | | | | |
| Shares issued on pursuant to capital raising | 4,371,370 | - | - | - | 4,371,370 |
| Shares issued to employees | 79,049 | - | - | - | 79,049 |
| Transaction costs, net of tax | (239,687) | - | - | - | (239,687) |
| Shares issued on acquisition of controlled entities | 33,333,333 | - | - | - | 33,333,333 |
| Shares issued on conversion of convertible notes | 5,740,000 | - | - | - | 5,740,000 |
| Balance at 30 June 2015 | 56,935,102 | (29,827,816) | 265,659 | (17,985,537) | 9,387,408 |
| Balance at 1 July 2013 | 13,651,037 | (6,961,894) | - | - | 6,689,143 |
| Comprehensive loss | | | | | |
| Loss for the year | - | (8,782,716) | - | - | (8,782,716) |
| Other comprehensive income for the year | - | - | - | - | - |
| Total comprehensive loss | - | (8,782,716) | - | - | (8,782,716) |
| Transactions with owners, in their capacity as owners, and other transfer | - | - | - | - | - |
| Balance at 30 June 2014 | 13,651,037 | (15,744,610) | - | - | (2,093,573) |

The accompanying notes form part of these financial statements.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR YEAR ENDED 30 JUNE 2015

| | Note | 2015 | 2014 |
|--|-------------|--------------|-------------|
| | | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 18,316,664 | 5,454,864 |
| Payments to suppliers and employees | | (19,455,533) | (5,848,746) |
| Interest received | | 49 | 15,262 |
| Interest paid | | (444,683) | (419,832) |
| Net cash used in by operating activities | 20 | (1,583,503) | (798,452) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Loans to related parties | 24 | (1,432,808) | (211,931) |
| Repayment of loans by related entities | 24 | 82,941 | - |
| Net cash used in investing activities | | (1,349,867) | (211,931) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issues of shares, net of capital raising costs | | 4,108,009 | - |
| Proceeds from borrowings | 24 | 309,194 | 413,338 |
| Payments made to related entities | 24 | (1,195,510) | - |
| Proceeds from issues of redeemable convertible notes | | - | 160,000 |
| Net cash provided by financing activities | | 3,221,693 | 573,338 |
| Net increase/(decrease) in cash held | | 288,323 | (437,045) |
| Cash acquired on acquisition of subsidiary | | 107,149 | - |
| Cash and cash equivalents at beginning of financial year | | 312,798 | 749,843 |
| Cash and cash equivalents at end of financial year | 7 | 708,270 | 312,798 |

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report that has 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. The Group is a for profit entity for financial reporting purposes under Australian Auditing Standards.

This financial report includes the consolidated financial statements and notes of Success Resources Global Limited and controlled entities ("Consolidated Group" or "Group").

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS"). Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial statements were authorised for issue on 30 September 2015 by the directors of the company.

Basis of Preparation

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

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Success Resources Global Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 12.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

a. Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Group shows a loss after tax of \$14,083,206 and operating cash outflows of \$1,583,503 for the year ended 30 June 2015, as well as a deficiency of working capital of \$5,325,593 as at 30 June 2015.

Notwithstanding the above, the directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- (a) The loss after tax is the result of one off impairments of goodwill and loan receivables as a result of the acquisition and restructuring during the year amounting to \$14,254,365.
- (b) The deficiency of working capital is impacted as result of deferred revenue of \$3,949,687 being included in trade and other payables in accordance with the group's accounting policy. This revenue is deferred until the seminar or events are held. These seminars or event will be held within the next twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. **Going Concern (Con't)**

a.

(c) Following the completion of acquisition of the event management business in Singapore and Malaysia and Empowernet International Pty Ltd, the directors believe these can:

- Consolidate IT Infrastructure including, CRM, sale and marketing platform, and accounting and reporting systems had been developed among the Success Resources Group;
- Achieve significant economies of scale through better utilisation resources, including staff, data base, IT systems and expertise and minimise the cost of duplication in marketing, administration and human resources, and other overheads;
- Develop additional events and products that can be rolled out in each region.

The Group's currently has a cash reserve of \$1,481,634 as at 31 August 2015 and expects to receive further net cash inflows of circa \$7 million from events over the next 12 months from the reporting date which includes Millionaire Mind Intensive, Reignite, National Achievers Congress and Anthony Robbins' programs across Australia, Malaysia and Singapore. The majority of these seminars have been confirmed.

b. **Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

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

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

All transaction costs incurred in relation to business combinations are recognised as expenses in profit or loss when incurred.

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

On 1 January 2015, the Company acquired the intellectual property and business assets of Success Resources Singapore Pte Ltd and Success Resources Malaysia Sdn Bhd. Both the entities were controlled by the same major individual shareholder. Business combinations involving entities under common control are outside the scope of AASB 3 and there is no specific AASB guidance. Accordingly, the Directors used its judgement to develop an accounting policy that is relevant and reliable, in accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors. In the Directors' view, the most relevant and reliable accounting policy is the pooling of interests method prescribed under US GAAP SFAS 141, Business Combinations.

Under the pooling of interests method, the acquirer accounts for the combination as follows:

- The assets and liabilities of the acquiree are recorded at their book values
- No goodwill is recorded. The difference between the carrying value of net assets acquired and consideration paid is recorded in the common control reserve in other comprehensive income
- Any expenses of the combination are written off immediately in the statement of profit or loss

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

c. Goodwill

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

- (i) the consideration transferred;
- (ii) any non-controlling interest; and
- (iii) the acquisition date fair value of any previously held equity interest;

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

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

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

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

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

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill are monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

d. Income Tax

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

d. Income Tax

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

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

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

Tax consolidation

Success Resources Global Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the Consolidated Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The Consolidated Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2003.

e. Plant and Equipment

Plant and equipment are measured on the cost basis where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

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

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

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Office equipment | 10%–37.5% |
| Furniture and Fittings | 20% |
| Computer equipment | 20% |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

e. Plant and Equipment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

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

f. Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Consolidated Group has the positive intention and ability to hold to maturity. Investments that are intended to be held-to-maturity are subsequently measured at amortised cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

f. Financial Instruments

Impairment

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

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

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is 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 expire. 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.

g. Impairment of Assets

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

Impairment testing is performed annually for goodwill.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

h. Interest in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Under the equity method, the share of the profits or losses of the partnership is recognised in profit or loss, and the share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income.

Details of the Group's interests in joint ventures are provided in Note 9.

Profit or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 9.

i. Intangibles Other than Goodwill

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with effect of any changes in estimate being accounted for on a prospective basis.

The determination of useful lives of finite life intangible assets is based upon the period over which the finite life intangible asset is expected to generate future cash flows. Given the current trend and dynamics of the market and technology environment, the Board has assessed that the estimates of useful life used for intangible assets are as follows:

- Speakers' relationships - 5 years.
- Brands and trademarks - 10 years.
- Customer databases - 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

j. Functional and presentation currency

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

Transactions and balances

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

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

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

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

k. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, and salaries are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

i. Provisions

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

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

m. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months.

n. Revenue and Other Income

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

Revenue from the rendering of a service, seminar or event is recognised upon the delivery of the service, seminar or event to the customers.

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

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Brokerage commission income is recognised when the Group's right to receive payment is established.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established.

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

o. Trade and Other Receivables

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

p. Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Consolidated Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

q. **Goods and Services Tax (GST)**

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

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

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

r. **Leases**

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

s. **Comparative Figures**

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

t. **Critical Accounting Estimates and Judgments**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Judgements – Impairment of goodwill

Determining whether goodwill is impaired requires an assessment of the carrying value of goodwill. A value in use calculation was used by the directors to estimate the future cash flows expected to arise from event management business in the Australia at a suitable discount rate in order to calculate present value. The carrying amount of goodwill at 30 June 2015 was \$9,335,037 after an impairment loss of \$7,580,283 was recognised. Details of the assessment of the carrying value of goodwill are set out in Note 14.

Key Judgments — Impairment of loan receivables

In determining the recoverability of the loan receivables, the Board considers any change in the credit quality of the loan receivables from the date credit was initially granted up to the end of the reporting period. On acquisition of business assets through common control transactions, the directors assessed the recoverability of loans receivables and concluded that a full provision of the loans to New Peak LLC and Success Resources USA LLC amounting to \$6,674,082 be provided.

Key Judgments — Held-to-maturity financial assets

In the previous year, the Board has reviewed the Group's held-to-maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the indication of impairment due to unfavourable forecast results on the future cash projections that casts a doubt on the Company's ability to repay the loan even if the Company extended the term. Accordingly, the carrying amount of the held-to-maturity financial assets was fully impaired. Details of the assessment are set out in Note 10.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

t. Critical Accounting Estimates and Judgments

Key Judgments — Common control

On 1 January 2015, the Company acquired the intellectual property and business assets of Success Resources Singapore Pte Ltd and Success Resources Malaysia Sdn Bhd. Both the entities were controlled by the same major individual shareholder. Business combinations involving entities under common control are outside the scope of AASB 3 and there is no specific AASB guidance. Accordingly, the Directors used their judgement to develop an accounting policy that is relevant and reliable, in accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors. Refer to Note 1(d) for accounting policy adopted by the Group for accounting of common control transactions.

Key Judgments — Deferred tax assets

Deferred tax assets are recognised for deductible temporary difference and unused tax losses as management considers that it is probable that future taxable profits will be available to utilise those temporary differences and unused tax losses. 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.

u. New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The directors anticipate that the adoption of AASB 9 does not have significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

v. **Variation from preliminary financial report**

Following the release of the preliminary financial report to the market, the results and financial position of the Group changed subsequently due to the following:

Under the pooling of interests method accounting, all the assets and liabilities of the Group should have recorded at book values. However, in the preliminary financial report, the Group had recognised intangible assets at fair values on the acquisition of the business assets from Success Resources Pte Ltd and Success Resources Sdn Bhd. As a result, the intangible assets amounting to \$5,785,862 and amortisation of intangible assets amounting to \$549,085 which were previously recognised are now de-recognised and recognised in the common control reserve.

In addition, the carrying amount of loans to Success Resources USA LLC and New Peaks LLC amounting to \$6,314,175 had been fully impaired prior at acquisition of the business assets of Success Resources Pte Ltd. In order to reflect the actual book values at acquisition, the impairment of these loans amounting to \$6,234,545 was recognised in the statement of profit or loss.

Below is the summary showing the impact of the changes on the performance of the Group.

| | 30.06.2015 | 30.06.2015 | Movement |
|---|-------------------|--------------------|-----------------|
| | Final | Preliminary | |
| Revenue from ordinary activities | 16,771,962 | 16,895,313 | (123,351) |
| Loss after tax from ordinary activities attributable to members | (14,083,026) | (7,943,538) | (6,139,668) |
| Net assets | 9,387,408 | 15,013,919 | (5,626,511) |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 2: REVENUE AND OTHER INCOME

| | 2015 | 2014 |
|-------------------------|-------------|-------------|
| | \$ | \$ |
| Revenue | | |
| Sales revenue | | |
| — Services rendered | 13,173,853 | 6,683,840 |
| — Sale of goods | 2,777,884 | 1,014,732 |
| — Brokerage commission | 820,225 | 7,378 |
| | 16,771,962 | 7,705,950 |
| Other Income | | |
| — Interest income | 151,395 | 306,065 |
| — Management fee income | 405,167 | - |
| — Other income | 257,256 | 26,921 |
| | 813,818 | 332,986 |

NOTE 3: LOSS FOR THE YEAR

| | 2015 | 2014 |
|---|-------------|-------------|
| | \$ | \$ |
| Loss before income tax includes: | | |
| Expenses | | |
| Interest expense on financial liabilities not at fair value through profit or loss: | | |
| — Related parties | 10,381 | 57,677 |
| — Other persons | 415,499 | 449,016 |
| Total finance costs | 425,880 | 506,693 |
| Rental expense | | |
| — Premises | 440,592 | 244,319 |
| Foreign currency translation (gain)/loss | 221,035 | (28,273) |
| Depreciation, impairment and amortisation | | |
| — Depreciation | 100,775 | 5,402 |
| — Impairment of goodwill | 7,580,283 | 2,076,554 |
| — Impairment of loans receivables and financial assets | 6,674,082 | 5,658,042 |
| — Amortisation of intangible assets | 530,373 | - |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX

| | 2015 | 2014 |
|---|--------------|-------------|
| | \$ | \$ |
| a. The components of tax expense/(benefit) comprise: | | |
| Current tax | (57,311) | - |
| Deferred tax | (583,843) | 9,928 |
| | (641,154) | 9,928 |
| | (641,154) | 9,928 |
| b. The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows: | | |
| Loss before income tax | (14,724,360) | (8,772,788) |
| Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2014: 30%) | (4,417,308) | (2,631,836) |
| Add/(less) tax effect of: | | |
| — Revenue losses and other deferred tax balances not recognised | 955,459 | 175,305 |
| — Impairment of goodwill | 2,274,085 | 622,966 |
| — Impairment of loan receivables and financial assets | 114,774 | 1,697,413 |
| — Impairment of loan not deductible | 17,087 | - |
| — Other non-deductible items | 20 | 8,542 |
| — Differences in overseas tax rates | 704,570 | - |
| — Interest expense on convertible notes | 61,326 | 137,538 |
| — Tax losses and benefits on acquisition of subsidiary not previously recognised | (124,854) | - |
| — Tax losses not previously recognised | (169,002) | - |
| — Overseas tax offset | (57,311) | - |
| Income tax (benefit)/expense | (641,154) | 9,928 |
| | (641,154) | 9,928 |

The tax rate used for Australian entities for the 2015 and 2014 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law

The tax rate used for Singapore entity for 2015 and 2014 reconciliation above is the corporate tax rate of 17% payable by Singaporean corporate entities on taxable profits under Inland Revenue Authority of Singapore. As of 30 June 2015, there are no tax liabilities incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 4: INCOME TAX

c. **Deferred tax assets/ liabilities**

| | 2015 | | | 2014 | | | |
|---------------------------------|--------------------|----------------------|----------------------|--------------------|--------------------|----------------------|--------------------|
| | Opening Balance | Charged to Income | Charged to Equity | Closing Balance | Opening Balance | Charged to Income | Closing Balance |
| | \$ | \$ | | \$ | \$ | \$ | \$ |
| Consolidated Group | | | | | | | |
| Deferred tax liabilities | | | | | | | |
| Prepayments | 121,802 | (34,667) | - | 87,135 | 306,039 | (184,237) | 121,802 |
| Others | - | - | - | - | 39,758 | (39,758) | - |
| Balance at 30 June | 121,802 | (34,667) | - | 87,135 | 345,797 | (223,995) | 121,802 |
| Deferred tax assets | | | | | | | |
| Share issue expenses | (9,422) | (31,887) | (102,723) | (144,032) | (12,969) | 3,547 | (9,422) |
| Impairment losses | (85,749) | 8,475 | - | (77,274) | (82,353) | (3,396) | (85,749) |
| Others | (96,370) | (141,579) | - | (237,949) | (84,689) | (11,681) | (96,370) |
| Tax losses | (157,867) | (384,185) | - | (409,997) | (403,320) | 245,453 | (157,867) |
| Balance at 30 June | (349,408) | (549,176) | (102,723) | (1,001,307) | (583,331) | 233,923 | (349,408) |

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (b) the company continues to comply with the conditions for deductibility imposed by law; and
- (c) no changes in income tax legislation adversely affect the company in utilising the benefits.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 5: AUDITORS' REMUNERATION

| | 2015 | 2014 |
|---|-------------|-------------|
| | \$ | \$ |
| Remuneration of the auditor for: | | |
| <i>Hall Chadwick Australia</i> | | |
| — Auditing or reviewing the financial report | 87,000 | 67,100 |
| — Taxation compliance and advisory services | 15,000 | 3,000 |
| — Corporate services – Due diligence | 48,500 | 52,570 |
| | 150,500 | 122,670 |
| <i>Other auditor – United States of America</i> | | |
| — Auditing or reviewing the financial report | - | 22,000 |
| <i>Other auditor – Singapore</i> | | |
| — Auditing or reviewing the financial report | 12,092 | - |
| <i>Other auditor – Malaysia</i> | | |
| — Auditing or reviewing the financial report | 2,467 | - |
| | 165,059 | 144,670 |

NOTE 6: LOSS PER SHARE (EPS)

| | 2015 | 2014 |
|--|--------------|-----------------|
| | \$ | \$ |
| Basic earnings per share | | |
| a. Loss used to calculate basic and diluted EPS | (14,083,206) | (8,782,716) |
| | No. | No. |
| b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS | | |
| Weighted average number of shares outstanding during the year | 162,350,757 | 1,206,173,893 |
| Adjustment to weighted average number of shares for consolidation of 20:1 | - | (1,145,860,882) |
| Normalised weighted average number of shares outstanding during the year, after effect of 20:1 share consolidation | - | 60,313,011 |
| Weighted average number of shares outstanding during the year | 162,350,757 | 60,313,011 |

18a

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 7: CASH AND CASH EQUIVALENTS

| | 2015 | 2014 |
|--------------------------|-------------|-------------|
| | \$ | \$ |
| Cash at bank and in hand | 515,079 | 119,608 |
| Short-term deposit | 193,191 | 193,190 |
| | 708,270 | 312,798 |

The effective interest rate on short-term bank deposits was 1.33% (2014: 4.61%). These deposits have an average maturity of 90 days.

NOTE 8: TRADE AND OTHER RECEIVABLES

| | 2015 | 2014 |
|--|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Trade receivables | 1,294,947 | 8,124 |
| Less: Provision for impairment | a - | (8,124) |
| | 1,294,947 | - |
| Amounts receivable from related parties | 1,607,310 | 475,222 |
| Less: Provision for impairment | a - | (8,801) |
| | 1,607,310 | 466,421 |
| Loans to related parties | 18,992,968 | 4,275,020 |
| Less: Provision for impairment | a (18,227,681) | (3,402,141) |
| | 765,287 | 872,879 |
| Other receivables | 947,074 | - |
| Total current trade and other receivables | 4,614,618 | 1,339,300 |
| Non-Current | | |
| Lease bonds | 14,250 | 14,250 |
| Amounts receivable from directors of parent entity | 309,063 | 298,981 |
| Less: Provision for impairment | a (257,580) | (257,580) |
| Total non-current trade and other receivables | 65,733 | 55,651 |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 8: TRADE AND OTHER RECEIVABLES

a. **Provision for Impairment of Receivables**

Movement in the provision for impairment of receivables is as follows:

| | Opening Balance | Acquisition through Business Combination | Charge for the Year | Exchange Differences | Amounts Written Off | Closing Balance |
|-----------------------------------|--------------------|---|------------------------|-------------------------|------------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| 2015 | | | | | | |
| (i) Current trade receivables | 8,124 | - | - | - | (8,124) | - |
| (ii) Current related parties | 3,410,942 | 8,199,188 | 6,724,709 | (98,357) | (8,801) | 18,227,681 |
| (iii) Non-current related parties | 257,580 | - | - | - | - | 257,580 |
| | 3,676,646 | 8,199,188 | 6,724,709 | (98,357) | (16,925) | 18,485,261 |
| 2014 | | | | | | |
| (i) Current trade receivables | 8,124 | - | - | - | - | 8,124 |
| (ii) Current related parties | 8,801 | - | 3,402,141 | - | - | 3,410,942 |
| (iii) Non-current related parties | 257,580 | - | - | - | - | 257,580 |
| | 274,505 | - | 3,402,141 | - | - | 3,676,646 |

On acquisition of Empowernet International Pty Ltd, the directors made a full provision for the loans to New Peak LLC and Success Resources USA LLC amounting to \$5,970,399. Additionally, \$2,228,789 impairment was provided to loans to EPIC Entertainment Pty Ltd and RTMB Ventures Inc.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

| | Gross amount | Past due and impaired | Past due but not impaired (days overdue) | | | | Within initial trade terms |
|--|-------------------|-----------------------|--|----------------|--------------|----------------|----------------------------|
| | | | < 30 | 31–60 | 61–90 | > 90 | |
| 2015 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Trade receivables | 1,294,947 | - | 1,040,471 | 100,986 | 9,511 | 143,979 | - |
| Loans and amount receivable from related parties | 20,600,278 | (18,227,681) | - | - | - | - | 2,372,597 |
| Loans to directors | 309,063 | (257,580) | - | - | - | 51,483 | - |
| Other receivables | 947,074 | - | - | - | - | - | 947,074 |
| Total | 23,151,362 | (18,485,261) | 1,040,471 | 100,986 | 9,511 | 195,462 | 3,319,671 |
| 2014 | | | | | | | |
| Trade receivables | 8,124 | (8,124) | - | - | - | - | - |
| Amount receivable from related parties | 4,750,242 | (3,410,942) | - | - | - | - | 1,339,300 |
| Loans to directors | 298,981 | (257,580) | - | - | - | 41,401 | - |
| Total | 5,024,974 | (3,676,646) | - | - | - | 41,401 | 1,339,300 |

b. Credit risk

The Group has insignificant concentration of credit risk in respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 8. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. As at 30 June 2015, trade receivables of \$254,476 were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

Amounts receivable from related parties are assessed individually to determine whether there is objective evidence that impairment has been incurred. For these receivables, the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- Significant financial difficulties of the related entities
- Default in payments
- Unfavourable future budgeted cash flows

As a result, as at 30 June 2015, the Group has recognised impairment losses of \$6,674,082 following the acquisition of Success Resources Singapore Pte Ltd and \$8,199,188 was impaired on acquisition of Empowernet International Pty Ltd.

On a geographical basis, the Group's exposure to credit risk for receivables at the end of the reporting period in those regions is as follows:

| | 2015 \$ | 2014 \$ |
|--------------------------|------------------|----------------|
| United States of America | - | 244,583 |
| Australia | 478,067 | 791,646 |
| Singapore | 2,911,172 | 303,071 |
| Malaysia | 278,305 | - |
| | 3,667,544 | 547,654 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 8: TRADE AND OTHER RECEIVABLES

c. **Collateral held as security**

There is no collateral held as security.

d. **Financial assets classified as loans and receivables**

| | 2015 | 2014 |
|---|-------------|-------------|
| | \$ | \$ |
| Trade and other receivables: | | |
| – total current | 4,614,618 | 1,339,300 |
| – total non-current | 65,733 | 55,651 |
| Financial assets as trade and other receivables | 4,680,351 | 1,394,951 |

NOTE 9: JOINT VENTURE AND JOINT OPERATIONS

Information about Joint Venture

a. **Information about Joint Venture**

Success Resources Singapore Pte Ltd (the subsidiary) (“SRS”) entered into a Joint Venture Agreement with Success Resources UK Limited (“SRUK”) for the period from January 2015 to June 2015. The principal place of business of this arrangement is in the United Kingdom and the primary purpose of the joint venture is SRUK to market and promote the joint venture to its customer databases, coordinate and make all necessary arrangements with the venues and speakers to conduct the seminars while SRS provides to SRUK assistance and support by way of consulting services in relation to the systems, implementation, programming and other know-how necessary to engage a speaker, sign a client contract or promote or conduct the seminars. Under the terms of the agreement, each party is entitled to 50% of the net profits of the joint venture.

The interest in the joint venture is accounted for in the financial statements using the equity method. Set out below is the summarised financial information for joint venture. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian-Accounting-Standards financial statements of joint venture.

| | 2015 | 2014 |
|---|------------------|-------------|
| | \$ | \$ |
| Summarised Financial Position | | |
| Total current assets | 3,079,484 | - |
| Net assets | 3,079,484 | - |
| Group’s share of joint venture’s net assets (50%) | 1,539,742 | - |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 9: JOINT VENTURE AND JOINT OPERATIONS

| b. | 2015 | 2014 |
|---|------------------|----------|
| | \$ | \$ |
| Summarised Financial Performance | | |
| Revenue | 8,565,856 | - |
| Commission expenses | (476,370) | - |
| Marketing expenses | (244,575) | - |
| Production expenses | (4,765,425) | - |
| Profit from continuing operations | 3,079,484 | - |
| Income tax expense | - | - |
| Profit after tax | 3,079,484 | - |
| Other comprehensive income – Foreign Currency Translation | 121,842 | - |
| Total comprehensive income | 3,201,326 | - |
| | | |
| Group's share of joint venture's total comprehensive income | 1,600,663 | - |

On 14 September 2015, SR UK received \$986,860 (USD 700,000) from a speaker's Company, Robin Research International Inc. on the share of profits of joint venture. The remaining outstanding balance is payable by SR UK in monthly instalments.

c. Commitments and Contingent Liabilities in Respect of Joint Venture

There is no a commitment or contingent liabilities during the financial period to the joint venture.

Information about Joint Operations

a. Information about Joint Operations

Success Resources Global Limited (the parent) holds a 50% interest in a joint arrangement structured as a strategic partnership between the Group and Success Resources USA LLC ("SRUSA"). The principal place of business of the joint operation is the USA and the primary purpose of the joint arrangement is to promote and conduct seminars. Under the collaboration agreement, the group is entitled to 50% of the net profits earned by SRUSA in respect of each seminar.

The collaboration between both parties is classified as a joint operation. Accordingly, the parent's interests in the assets, liabilities, revenue and expenses attributable to the joint operation have been included in the appropriate line items in the consolidated financial statements.

The Consolidated Group has recognised an aggregated share of net loss from Success Resources USA LLC amounting to \$20,562 (2014: \$716,916). Revenues and expenses brought to account under this arrangement are \$76 (2014: \$2,890,471) and \$20,638 (2014: \$3,607,387) respectively.

b. Commitments and Contingent Liabilities in Respect of Joint Operations

In accordance with the agreement, Success Resources Global Limited is committed to lend or advance funds up to a maximum of US\$4 million to SRUSA when required. As at 30 June 2014, the Group has advanced \$2,503,820 to the joint arrangement operations. At the end of June 2014 reporting period, a full impairment of \$2,503,820 was recognised in the Company's profit or loss as the estimated future cash flows of the investment are not expected to be sufficient to enable the advances to be repaid within the term of the collaboration agreement. No further funds were advanced in 2015.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 9: JOINT VENTURE AND JOINT OPERATIONS

c. **Summarised Financial Information for Joint Operations**

The Group's share of net assets employed in Success Resources USA LLC that are included in the consolidated financial statements are as follows:

| | 2015 | 2014 |
|--|------------------|------------------|
| | \$ | \$ |
| Current assets: | | |
| Prepayments | - | 328,587 |
| Total Current Assets | - | 328,587 |
| Current liabilities: | | |
| Trade and other payables | (737,478) | (1,039,701) |
| Financial liabilities | - | (5,802) |
| Total Current Liabilities | (737,478) | (1,045,503) |
| Net liabilities in SRUSA joint operations | (737,478) | (716,916) |

Summarised Financial Performance

| | 2015 | 2014 |
|---|---------------|-------------|
| | \$ | \$ |
| Revenue | (152) | - |
| Production expenses | 27,163 | - |
| Other expenses | 14,112 | - |
| Loss from continuing operations | 41,123 | - |
| Income tax expense | - | - |
| Loss after tax from continuing operations | 41,123 | - |
| Other comprehensive income | - | - |
| Total comprehensive income | 41,123 | - |
| Group's share of joint operation's total comprehensive loss | 20,562 | - |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 10: FINANCIAL ASSETS

| | 2015 | 2014 |
|--|-------------|-------------|
| Non-Current | \$ | \$ |
| Held-to-maturity financial assets | - | 3,015,430 |
| <hr/> | | |
| a. Held-to-maturity investments | | |
| Promissory notes at cost | 2,383,262 | 5,271,331 |
| Less: Provision for impairment | (2,383,262) | (2,255,901) |
| | <hr/> | <hr/> |
| | - | 3,015,430 |

Promissory notes classified as held-to-maturity investments with a carrying amount of \$nil (2014: \$3,015,430) bear interest of 6% per annum (2014: 6%).

| | 2015 | 2014 |
|--|-------------|-------------|
| b. Investments in related parties | \$ | \$ |
| Held-to maturity financial assets includes the following investments held in related entities: | | |
| - Empowernet International Pty Ltd ² | - | 3,015,430 |
| - New Peaks LLC ¹ | 2,383,262 | 2,255,901 |
| Less: Provision for impairment | (2,383,262) | (2,255,901) |
| | <hr/> | <hr/> |
| | - | 3,015,430 |

¹ The Directors has assessed the indicators of impairment of the promissory note to New Peaks LLC which were due on 31 December 2014. The financial assets are considered to be fully impaired by \$2,383,262 due to deficit in the net tangible assets of New Peaks LLC and unfavourable forecast results on the future cash projections that casts a doubt on the Company's ability to repay the loan even if the Company extended the term.

² The carrying amount is accounted as settlement of pre-existing arrangement following the Group completed acquisition of 100% of issued shares of Empowernet International Pty Ltd.

NOTE 11: OTHER ASSETS

| | 2015 | 2014 |
|----------------|-------------|-------------|
| Current | \$ | \$ |
| Prepayments | 909,198 | 755,347 |
| <hr/> | | |

Prepayment represents amortised production costs over a period of up to 12 - 18 months.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 12: CONTROLLED ENTITIES

Details of Group's subsidiaries at the end of the reporting period are as follows:

| | Country of Incorporation | Percentage Owned * | |
|---|--------------------------|--------------------|------|
| | | 2015 | 2014 |
| Subsidiaries of Success Resources Global Limited: | | % | % |
| DataHQ Pty Limited ² | Australia | 100 | 100 |
| Hometrader Pty Limited ² | Australia | 100 | 100 |
| Success Resources Australia Pty Ltd | Australia | 100 | 100 |
| Empowernet International Pty Ltd ¹ | Australia | 100 | - |
| Success Resources Malaysia Group Sdn Bhd ³ | Malaysia | 100 | 100 |
| Success Resources Singapore Pte Ltd | Singapore | 100 | 100 |

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

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

¹ Refer to Note 21 for information in relation to the acquisition of controlled entity.

² The subsidiary company is dormant.

³ Success Resources Malaysia Group Sdn Bhd previously known as Success Resources Change Lives Sdn Bhd changed its registered company name on 4 November 2014.

NOTE 13: PLANT AND EQUIPMENT

| | 2015 | 2014 |
|--------------------------|-----------|----------|
| | \$ | \$ |
| Office Equipment: | | |
| At cost | 195,051 | 56,222 |
| Accumulated depreciation | (66,199) | (56,222) |
| | 128,852 | - |
| Furniture and Fittings | | |
| At cost | 189,004 | 8,945 |
| Accumulated depreciation | (62,676) | (1,913) |
| | 126,328 | 7,032 |
| Computer Equipment | | |
| At cost | 576,926 | 30,513 |
| Accumulated depreciation | (104,133) | (21,498) |
| | 472,793 | 9,015 |
| | 727,973 | 16,047 |

a

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 13: PLANT AND EQUIPMENT

a. **Movements in Carrying Amounts**

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

| | Office Equipment | Furniture and Fittings | Computer Equipment | Total |
|---|---------------------|---------------------------|-----------------------|----------------|
| | \$ | | | |
| Balance at 1 July 2014 | - | 7,454 | 13,995 | 21,449 |
| Additions | - | - | - | - |
| Depreciation expense | - | (422) | (4,980) | (5,402) |
| Balance at 30 June 2014 | - | 7,032 | 9,015 | 16,047 |
| Additions | 36,964 | 73,088 | 27,490 | 171,708 |
| Acquisition through business combination | - | 34,166 | - | 34,166 |
| Acquisitions through common control transaction | 101,864 | 21,019 | 518,924 | 641,807 |
| Exchange differences | (87) | 31 | (783) | (838) |
| Depreciation expenses | (9,889) | (9,008) | (81,853) | (100,775) |
| Balance at 30 June 2015 | 128,852 | 126,328 | 472,793 | 727,973 |

NOTE 14: INTANGIBLE ASSETS

| | 2015 | 2014 |
|-------------------------------|------------------|------------------|
| | \$ | \$ |
| Goodwill: | | |
| Cost | 18,991,874 | 6,319,357 |
| Accumulated impairment losses | (9,656,837) | (2,076,554) |
| Net carrying amount | <u>9,335,037</u> | <u>4,242,803</u> |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 14: INTANGIBLE ASSETS

| | 2015 | 2014 |
|--|-------------------|------------------|
| | \$ | \$ |
| Speakers' relationships: | | |
| Cost | 1,515,351 | - |
| Accumulated amortisation | (151,535) | - |
| Net carrying amount | 1,363,816 | - |
| Trademarks and Brands: | | |
| Cost | 1,515,351 | - |
| Accumulated amortisation | (75,768) | - |
| Net carrying amount | 1,439,584 | - |
| Customer Databases: | | |
| Cost | 3,030,703 | - |
| Accumulated amortisation | (303,070) | - |
| Net carrying amount | 2,727,633 | - |
| Total non-current intangible assets | 14,866,070 | 4,242,803 |

| | Goodwill | Speakers' relationships | Trademarks & Brands | Customer Databases | Total |
|--|-----------------|--------------------------------|--------------------------------|---------------------------|--------------|
| | \$ | \$ | \$ | \$ | \$ |
| Year ended 30 June 2015 | | | | | |
| Balance at the beginning of the year | 4,242,803 | - | - | - | 4,242,803 |
| Acquisition through business combination | 12,672,517 | 1,515,351 | 1,515,351 | 3,030,703 | 18,733,922 |
| Amortisation charge | - | (151,535) | (75,768) | (303,070) | (530,373) |
| Impairment losses | (7,580,283) | - | - | - | (7,580,283) |
| Closing value at 30 June 2015 | 9,335,037 | 1,363,816 | 1,439,584 | 2,727,633 | 14,866,070 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 14: INTANGIBLE ASSETS

Impairment disclosures

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

| | 2015 | 2014 |
|--------------------------------------|-------------|-------------|
| | \$ | \$ |
| Event management segment - Australia | 9,335,037 | 4,242,803 |

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period using an estimated growth rate. The carrying amount of the event management segment in Australia has been reduced to its recoverable amount through recognition of an impairment loss amounting to \$7,580,283 against goodwill. This loss has been disclosed as a separate line item in profit or loss.

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

| Event management segment – Australia | Growth Rate | Discount Rate |
|--------------------------------------|--------------------|----------------------|
| Year 1 | 92% | 25% |
| Year 2 – Year 5 | 5% | 25% |

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

Now that both Empowernet International Pty Ltd and Success Resources Australia Pty Ltd are part of the same cash-generating unit, significant economies of scale are expected through better utilisation of resources, including staff, data bases, IT systems and expertise. Costs will also be reduced by avoiding duplication in marketing, administration; human resources, and other overheads. Collectively, these entities have substantial personal contacts, relationships and extensive experience in the promotion of live events which is projected to provide significant growth over the next 12 months. Growth rates of 5% have been conservatively estimated for the next four years.

The Group expects to receive additional net cash inflows of circa \$7 million from events over the next 12 months from the reporting date which includes Millionaire Mind Intensive, Reignite, National Achievers Congress and Anthony Robbins' programs across Australia, Malaysia and Singapore. The majority of these seminars have been confirmed.

Sensitivity Analysis

If the Group experiences a 50% growth rate in the next 12 months an impairment of \$2.05m would result. If the Group experiences a growth rate of only 5% in the next 12 months a further impairment of \$4.2m would result.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 15: TRADE AND OTHER PAYABLES

| | 2015 | 2014 |
|---|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Unsecured liabilities: | | |
| Trade payables | 2,565,177 | 731,851 |
| Sundry payables and accrued expenses | 2,207,602 | 629,553 |
| Deferred revenue | 3,949,687 | 1,575,615 |
| Amount payable to related parties | 1,167,097 | 2,217,812 |
| Total current trade and other payables | 9,889,563 | 5,048,302 |

a. **Financial liabilities at amortised cost classified as trade and other payables**

Trade and other payables:

| | | |
|--|------------------|------------------|
| – total current | 9,889,563 | 5,048,302 |
| – total non-current | - | - |
| Financial liabilities as trade and other payables | 9,889,563 | 5,048,302 |

NOTE 16: PROVISIONS

| | 2015 | 2014 |
|--------------------|----------------|-------------|
| | \$ | \$ |
| Current | | |
| Employee benefits | 94,459 | - |
| Non-Current | | |
| Employee benefits | 79,245 | - |
| | 173,704 | - |

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement..

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 17: FINANCIAL LIABILITIES

| | | 2015 | | 2014 |
|------------------------------------|---|-----------|--|-----------|
| | | \$ | | \$ |
| Current | | | | |
| Unsecured liabilities: | | | | |
| Loan from related parties | a | 626,938 | | 861,565 |
| Loan from unrelated parties | a | 894,480 | | - |
| Loan from director | c | 110,283 | | - |
| Secured liabilities: | | | | |
| Redeemable convertible notes | b | - | | 5,740,000 |
| | | 1,631,701 | | 6,601,565 |
| Non-Current | | | | |
| Loan from director and executive | c | 2,970,516 | | - |
| Convertible loan notes | d | 411,849 | | 408,688 |
| Total financial liabilities | | 3,382,365 | | 7,010,253 |

a. Loans from related and unrelated parties

Loans from related party, Success Resources International Pte Ltd amounting to 626,938 bear no interest or have no fixed repayment terms.

Loan from Rentak Land Pte Ltd amounted to \$243,124 bear an interest rate of 9% per annum with a 6 months repayment terms.

Loan from Lee Song Teck amounted to \$651,356 bear no interest and have no fixed repayable date.

b. Redeemable convertible notes

On 23 January 2015, 287 Redeemable Convertible Notes with a face value amount per Note of \$20,000 were fully converted into 35,875,000 ordinary shares at a strike price of \$0.16 per share upon completion of the Company's purchase of 100% of the business assets from Success Resources Pte Ltd.

c. Director and Executive Loans

A short term loan from a director amounting to \$110,283 bears no interest and will be payable within the next twelve months.

A long term loans from a director amounting to \$1,406,995 and executive amounting to \$1,563,521 bear no interest and will not be recalled within the next twelve months from the date of signing this report. The purpose of these loans was to finance the Group's activities and operations in the United States.

d. Convertible loan notes

The Group's liabilities include an amount of \$411,849 (2014: \$408,688) which relates to the convertible loan note which has a due date which is the earlier of :

- i. such date as Success Resources International Pte Ltd (the Note holder) may specify in writing to the Consolidated Group to its sole and absolute discretion; and
- ii. that date which is 5 years from the settlement date (agreement entered on 25 June 2009, extension was granted for at least 12 months from the date of signing this report). The Note holder (Success Resources International Pte Ltd) has issued a confirmation that they will not recall in the next twelve months from the date of signing this report.

The convertible note interest would cease accruing post August 2014 until the balance is converted into equity. The fair value of the liability component of the convertible note was determined using an effective interest rate of 10.47%. Upon expiration of above agreement, the Note holder has issued a confirmation letter that the loan amount will be carried at amortised cost and cease accruing interest post 31 August 2014.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 18: ISSUED CAPITAL

| | 2015 | 2014 |
|---|-------------|-------------|
| | \$ | \$ |
| 285,230,359 (2014: 60,313,011) fully paid ordinary shares of no par value | 56,935,102 | 13,651,037 |

a. Ordinary Shares

| | 2015 | 2014 | 2015 | 2014 |
|--|-------------|-----------------|-------------|-------------|
| | No. | No. | \$ | \$ |
| At the beginning of financial year | 60,313,011 | 1,206,173,893 | 13,651,037 | 13,651,037 |
| Shares issued during the year | | | | |
| Acquisition of controlled entities (i) | 166,666,667 | - | 33,333,333 | - |
| Shares issued pursuant to public offer (ii) | 21,881,850 | - | 4,371,370 | - |
| Shares issued to employees | 493,831 | - | 79,049 | - |
| Capital raising costs | - | - | (342,410) | - |
| Tax benefit on capital raising costs | - | - | 102,723 | - |
| Conversion of convertible notes to ordinary shares | 35,875,000 | - | 5,740,000 | - |
| 20:1 share consolidation ¹ | - | (1,145,860,882) | - | - |
| At the end of the financial year | 285,230,359 | 60,313,011 | 56,935,102 | 13,651,037 |

¹ At the Success Resources Global Annual General meeting held on 29 October 2013, shareholders approved the share consolidation whereby every twenty (20) fully paid ordinary shares on issue were consolidated into one (1) fully ordinary share as at 23 December 2013.

- (i) On 17 November 2014, the Company gained the approval of shareholders through the Annual General Meeting and reached agreement to acquire:
- The intellectual property rights, business intellectual property and business assets of Success Resources Pte Ltd for a total consideration of \$16,666,667 (comprising the issue of 83,333,333 shares valued at \$0.20 per share);
 - The intellectual property rights, business intellectual property and business assets of Success Resources Malaysia Sdn. Bhd. for a total consideration of \$5,555,556 (comprising the issue of 27,777,778 shares valued at \$0.20 per share);
 - All the shares in Empowernet International Pty Ltd for a total consideration of \$11,111,111 (comprising the issue of 55,555,556 shares valued at \$0.20 per share).
- (ii) On 19 November 2014, the Company issued a prospectus offering up to 75,000,000 new shares at an issue price of \$0.20 each to raise up to \$15,000,000. The Company subsequently lodged a Replacement Prospectus with ASIC on 5 December, 2014 offering up to 37,500,000 new ordinary shares at an issue price of \$0.20 each to raise up to \$7,500,000. Public offer applications were opened on 11 December 2014 with a closing date extended to 27 February 2015. By 17 February 2015, the Company had exceeded the minimum subscription of 15 million shares raising \$3 million. The proceeds from the offer will be used as working capital to progress the Group's business goals and expansion plans.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meeting, each ordinary share is entitled to one vote when a poll is called, otherwise, each shareholder has one vote on a show of hands.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 18: ISSUED CAPITAL

b. Options

No options outstanding at the date of this report.

c. Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital include ordinary share capital, and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The gearing ratios for the years ended 30 June 2015 and 30 June 2014 are as follows:

| | 2015 | 2014 |
|--------------------------------|-------------|-------------|
| | \$ | \$ |
| Total debt (i) | 4,903,783 | 7,100,641 |
| Less cash and cash equivalents | (708,270) | (312,798) |
| Net debt | 4,195,513 | 6,787,843 |
| Total equity (ii) | 9,387,408 | (2,093,573) |
| Gearing ratio | 45% | (324%) |

(i) Debt is defined as long-term and short-term borrowings.

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT

Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The Group's debt and capital includes ordinary share capital, convertible loan note and financial liabilities, supported by financial assets.

The primary source of funding for the Group is equity raisings and support by the holding company. Accordingly, the objective of the group's capital risk management is to balance the current working capital position against the requirements of the Group to meet operational requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Group at 30 June 2015 and 30 June 2014 is as follows:

| | Note | 2015 | 2014 |
|-----------------------------|------|-------------|-------------|
| | | \$ | \$ |
| Cash and cash equivalents | 7 | 708,270 | 312,798 |
| Trade and other receivables | 8 | 4,614,618 | 1,339,300 |
| Other assets | 11 | 909,198 | 755,347 |
| Financial assets | 10 | - | 3,015,430 |
| Trade and other payables | 15 | (9,889,563) | (5,048,302) |
| Financial liabilities | 17 | (5,014,066) | (6,601,565) |
| Working capital position | | (8,671,543) | (6,226,992) |

The Group's principal financial instruments comprise cash and short term deposits, accounts receivable and payable, loans, financial assets and convertible loan notes which arise directly from its operations. It has been the Group's policy not to trade in financial instruments.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | Note | 2015 | 2014 |
|-------------------------------|------|-----------|-----------|
| | | \$ | \$ |
| Financial Assets | | | |
| Cash and cash equivalents | 7 | 708,270 | 312,798 |
| Loans and receivables | 8 | 4,614,618 | 1,394,951 |
| Held-to-maturity investments | 10 | - | 3,015,430 |
| Total Financial Assets | | 5,322,888 | 4,723,179 |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT

| | Note | 2015 \$ | 2014 \$ |
|--|------|------------|------------|
| Financial Liabilities | | | |
| Financial liabilities at amortised cost: | | | |
| - Trade and other payables | 15 | 9,889,563 | 5,048,302 |
| - Loan from related parties | 17 | 3,597,454 | 861,565 |
| - Convertible loan notes | 17 | 411,849 | 408,688 |
| - Redeemable convertible notes | 17 | - | 5,740,000 |
| - Loan from director | 17 | 110,283 | - |
| - Loan from unrelated parties | 17 | 894,480 | - |
| Total Financial Liabilities | | 14,903,629 | 12,058,555 |

The Directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Group's maximum exposure to credit risk.

Trade and other receivables that are neither past due or impaired are disclosed in Note 8. The Group establishes a provision for impairment that represents its estimate of incurred losses in respect of trade and other receivables (refer to Note 8) and financial assets (refer to Note 10).

Credit risk related to balances with banks and other financial institutions is managed by the Board of Directors 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 and AA- Rated | 7 | 708,270 | 312,798 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- borrowing using convertible instruments;
- support from immediate parent company;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

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

Financial liabilities and financial assets maturity analysis

2015

Fixed interest rate maturing in:

| | Floating interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non- interest Bearing | Total | Weighted average effective interest rate |
|--|------------------------------|-------------------|----------------------|----------------------------|-----------------------------|-------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Financial Assets | | | | | | | |
| Cash at bank | 515,079 | - | - | - | - | 515,079 | - |
| Term deposit | - | 193,191 | - | - | - | 193,191 | 1.33% |
| Trade and other receivables | - | - | - | - | 2,242,021 | 2,242,021 | - |
| Lease bonds | - | - | - | - | 14,250 | 14,250 | - |
| Loan to directors | 309,063 | - | - | - | - | 309,063 | 3.36% |
| Loan and amount receivable from related parties | - | - | - | - | 20,600,278 | 20,600,278 | - |
| Held-to-maturity investments | - | - | 2,383,262 | - | - | 2,383,262 | 6.00% |
| Total financial assets | 824,142 | 193,191 | 2,383,262 | - | 22,856,549 | 26,257,144 | |
| Financial Liabilities | | | | | | | |
| Trade and other payables | - | - | - | - | 9,889,563 | 9,889,563 | - |
| Loan from related parties | - | - | - | - | 3,707,737 | 3,707,737 | - |
| Loan from unrelated parties | - | 243,124 | - | - | 651,356 | 899,480 | 9.00% |
| Convertible notes | - | - | 411,849 | - | - | 411,849 | - |
| Total financial liabilities | - | 243,124 | 411,849 | - | 14,248,657 | 14,908,630 | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT

b. Liquidity risk

2014

Fixed interest rate maturing in:

| | Floating interest rate | 1 year or less | Over 1 to 5 years | More than 5 years | Non- interest bearing | Total | Weighted average effective interest rate |
|--|------------------------------|-------------------|----------------------|----------------------------|-----------------------------|-------------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | |
| Financial Assets | | | | | | | |
| Cash at bank | 119,608 | - | - | - | - | 119,608 | - |
| Term deposit | - | 193,190 | - | - | - | 193,190 | 4.61% |
| Trade and other receivables | - | 8,124 | - | - | 8,124 | 8,124 | - |
| Lease bonds | - | - | 14,250 | - | 14,250 | 14,250 | - |
| Loan to directors | 298,981 | - | - | - | - | 298,981 | 3.54% |
| Amount receivable from related parties | - | - | - | - | 4,750,242 | 4,750,242 | - |
| Held-to-maturity investments | - | 2,255,901 | 3,015,430 | - | - | 5,271,331 | 6.00% |
| Total financial assets | 418,589 | 2,457,215 | 3,029,680 | - | 4,772,616 | 10,655,726 | |
| Financial Liabilities | | | | | | | |
| Trade and other payables | - | 5,048,302 | - | - | 5,048,302 | 5,048,302 | - |
| Loan from related parties | - | 861,565 | - | - | 861,565 | 861,565 | - |
| Loan from unrelated parties | - | - | - | - | - | - | - |
| Convertible notes | - | 5,740,000 | 408,688 | - | - | 6,148,688 | 6.00% |
| Total financial liabilities | - | 11,649,867 | 408,688 | - | 5,909,867 | 12,058,555 | |

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

c. Market Risk

(i) Foreign currency risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

With instruments being held by overseas operations, fluctuations in the US, Singapore and Malaysia dollar may impact on the Group's financial results unless those exposures are appropriately managed.

The Group's exposure to foreign currency risk at end of the reporting period, expressed in Australian dollar, was as follows:

| | USD | GBP | SGD | MYR |
|-----------------------------|-----------|-----------|-------------|---------|
| Trade and other receivables | - | 1,539,742 | 3,317,905 | 778,811 |
| Trade and other payables | (737,478) | - | (171,272) | 2,383 |
| Financial liabilities | - | - | (1,517,279) | 12,546 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT

c. Market Risk

(i) Foreign currency risk

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in exchange rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

| | 2015 | 2015 | 2014 | 2014 |
|--|-------------|-------------|-------------|-------------|
| | Profit | Equity | Profit | Equity |
| Change in (Loss)/Profit | | | \$ | \$ |
| +/- 100 basis points \$A/\$US (2014: 100 basis point) | +/- 73,748 | +/- 73,748 | +/- 34,499 | +/- 34,499 |
| +/- 100 basis points \$A/\$GBP (2014: 100 basis point) | +/- 153,974 | +/- 153,974 | +/- 19,575 | +/- 19,575 |
| +/- 100 basis points \$A/\$SGD (2014: 100 basis point) | +/- 162,935 | +/- 162,935 | +/- 227,181 | +/- 227,181 |
| +/- 100 basis points \$A/\$MYR (2014: 100 basis point) | +/- 79,374 | +/- 79,374 | - | - |

(ii) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Consolidated Group is also exposed to earnings volatility on floating rate instruments.

The Group is exposed to movements in market interest rates on short term deposits. The convertible loan is at fixed rate.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

| | 2015 | 2015 | 2014 | 2014 |
|--|------------|------------|-----------|-----------|
| | Profit | Equity | Profit | Equity |
| Change in (Loss)/Profit | | | \$ | \$ |
| +/- 100 basis points (2014: 100 basis point) | +/- 11,617 | +/- 11,617 | +/- 5,074 | +/- 5,074 |

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 19: FINANCIAL RISK MANAGEMENT

d. **Fair Values**

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position.

| Consolidated Group | Note | 2015 | | 2014 | |
|--|------|--------------------------|---------------------|--------------------------|---------------------|
| | | Carrying Amount \$ | Fair Value \$ | Carrying Amount \$ | Fair Value \$ |
| Financial assets | | | | | |
| Cash and cash equivalents | 7 | 708,270 | 708,270 | 312,798 | 312,798 |
| Trade and other receivables: | | | | | |
| – related parties – loans and advances | | 2,372,597 | 4,835,738 | 1,339,300 | 1,339,300 |
| – unrelated parties – trade and term receivables | | 1,294,947 | 1,294,947 | - | - |
| – Others | | 947,074 | 961,324 | - | - |
| Total trade and other receivables | 8 | 5,322,888 | 5,322,888 | 1,339,300 | 1,339,300 |
| Investments – held-to-maturity | 10 | - | - | 3,015,430 | 3,015,430 |
| Total financial assets | | 5,322,888 | 5,322,888 | 4,667,528 | 4,667,528 |
| Financial liabilities | | | | | |
| Trade and other payables | | | | | |
| – related parties – loans and advances | | (1,277,380) | (1,277,380) | (2,217,812) | (2,217,812) |
| – unrelated parties – trade and term payables | | (8,722,467) | (8,722,467) | (2,830,490) | (2,830,490) |
| Total trade and other payables | 15 | (9,999,847) | (21,580,518) | (9,999,847) | (5,048,302) |
| Borrowings – related parties | 17 | (3,597,454) | (367,400) | (861,565) | (861,565) |
| Borrowings – unrelated parties | 17 | (894,480) | (936,626) | - | - |
| Redeemable convertible notes | 17 | - | - | - | (5,740,000) |
| Convertible loan notes | 17 | (411,849) | (411,849) | (408,688) | (408,688) |
| Total financial liabilities | | (14,903,630) | (23,254,247) | (12,058,555) | (12,058,555) |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 20: CASH FLOW INFORMATION

| | 2015 | 2014 |
|--|--------------|-------------|
| | \$ | \$ |
| Reconciliation of Cash Flow from Operations with Loss after Income Tax | | |
| Loss after income tax | (14,083,206) | (8,782,716) |
| Non-cash flows in Loss | | |
| Amortisation of convertible loan note | 3,161 | 15,799 |
| Depreciation expenses | 100,775 | 5,402 |
| Amortisation expenses | 530,373 | - |
| Impairment on goodwill | 7,580,283 | 2,076,554 |
| Impairment on loan receivables and financial assets | 6,674,082 | 5,658,042 |
| Accrued interest on convertible notes | (21,963) | 71,062 |
| Accrued interest on financial assets | (88,723) | (290,803) |
| Share of profits of joint venture | (1,539,742) | - |
| Net exchange differences | (205,690) | - |
| Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries | | |
| (Increase) in trade and other receivables | (1,064,176) | (467,702) |
| Decrease/(Increase) in other assets | (762,249) | 389,113 |
| Increase in trade and other payables | 755,870 | 516,869 |
| Decrease/(Increase) in tax liabilities | 537,700 | 9,928 |
| Cash flows from operations | 1,583,505 | (798,452) |

Non Cash Financing and Investing Activities

During the year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

The acquisitions of :

- The intellectual property rights, business intellectual property and business assets of Success Resources Pte Ltd for a total consideration of \$16,666,667 (comprising the issue of 83,333,333 shares valued at \$0.20 per share);
- The intellectual property rights, business intellectual property and business assets of Success Resources Malaysia Sdn Bhd for a total consideration of \$5,555,556 (comprising the issue of 27,777,778 shares valued at \$0.20 per share);
- All the shares in Empowernet International Pty Ltd for a total consideration of \$11,111,111 (comprising the issue of 55,555,556 shares valued at \$0.20 per share).

On 23 January 2015, 287 Redeemable Convertible Notes with a face value amount per Note of \$20,000 were fully converted into 35,875,000 ordinary shares at a strike price of \$0.16 per share upon completion of the Company's purchase of 100% of the assets Success Resources Pte Ltd.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 21: BUSINESS COMBINATIONS

(a) Acquisition of Controlled Entity

Under the Prospectus dated 5 December 2014, the Company acquired 100% of the issued shares of Empowernet International Pty Ltd. Through acquiring 100% of the issued capital of Empowernet International Pty Ltd, the Group has obtained control of the Company.

The purchase was satisfied by the issue of 55,555,556 ordinary shares at an issue price of \$0.20 each. The issue price was based on the simultaneous capital raising.

| | Fair Value |
|---|-------------------|
| | \$ |
| Purchase consideration: | |
| – Issue of shares | 11,111,111 |
| – Less settlement of pre-existing relationships (i) | 3,248,400 |
| | 14,359,511 |
| Less: | |
| Cash and cash equivalents | 107,149 |
| Trade and other receivables (ii) | 473,360 |
| Other assets | 69,584 |
| Plant and equipment | 34,166 |
| Intangible assets | 6,061,406 |
| Provisions | (84,527) |
| Trade and other payables | (4,974,144) |
| Identifiable assets acquired and liabilities assumed (iii) | 1,686,994 |
| Goodwill | 12,672,517 |
| Purchase consideration settled in cash | - |
| Cash outflow on acquisition | - |

(i) Trade receivables, payables and financial liabilities were included as part of purchase consideration as those balances relate to receivables/payables to the Group's subsidiary, Success Resources Australia Pty Ltd at acquisition date.

(ii) On acquisition in assessing fair value, the directors made a full provision for the loans to New Peak LLC and Success Resources USA LLC amounting \$8,199,188.

(iii) At the time the financial statements were authorised for issue, the Group had not yet completed the accounting for acquisition of Empowernet International Pty Ltd. In particular, the fair values of assets and liabilities disclosed above have only been provisionally determined as independent valuations have not yet been finalised.

Loss and revenue resulting from the acquisition of ENI amounting to \$322,922 and \$4,132,501 are included in the consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2015.

Had the results relating to the Company been consolidated from 1 July 2014, consolidated revenue of the Group would have been \$16,771,962 and consolidated loss before income tax of the Group would have been \$14,140,158 for the year ended 30 June 2015.

The goodwill is attributable to the high profitability of the acquired business and the significant synergies that expected to arise after the Group's acquisition of the Company. No amount of the goodwill is deductible for tax purposes.

Acquisition-related have been recognised as an expense in the profit or loss in the 2015 financial year.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 21: BUSINESS COMBINATIONS

(b) Common control transactions

Under the Prospectus dated 5 December 2014, the Company acquired the following :

- The intellectual property rights, business intellectual property and business assets of Success Resources Pte Ltd ("SRSP") for a total consideration of \$16,666,667 (comprising the issue of 83,333,333 shares. The issue price is based on the simultaneous capital raising) and
- The intellectual property rights, business intellectual property and business assets of Success Resources Sdn Bhd ("SRSB") for a total consideration of \$5,555,556 (comprising the issue of 27,777,778 shares valued at \$0.20 per share. The issue price is based on the simultaneous capital raising).

Success Resources International Pte Ltd ("SRIPL") indirectly owned 29% of the shares held in Success Resources Global Ltd which is the sole shareholder of the immediate holding company, Success Resources International Pte Ltd, which holds a 57.6% interest in SRS PL and SR Malaysia Group Sdn Bhd. As SRIPL owned 100% share capital of Success Resources Singapore Pte Ltd and Success Resources Sdn Bhd, this has been assessed as a common control transaction. Given the continuing control of the businesses, the Directors considered that these transactions were accounted for as a common control transaction using the pooling of interests method. As a result, the carrying values of the acquired entities have been recorded at their book values. The difference between the carrying value of net assets acquired and the consideration paid has been recorded in the common control reserve.

| | SRSB | SRSP |
|---|-------------------|------------------------|
| Purchase consideration: | | |
| – Issue of shares | 5,555,556 | 16,666,667 |
| | Book Value | Book Value |
| | \$ | \$ |
| Less: Carrying value of net identifiable assets acquired | | |
| Trade and other receivables (i) | 1,010,588 | 6,068,733 ¹ |
| Plant and equipment | 90,323 | 502,951 |
| Provisions | (35,431) | (57,787) |
| Trade and other payables | (11,650) | (3,331,041) |
| Identifiable assets acquired and liabilities assumed | 1,053,830 | 3,182,856 |
| Common control reserve | 4,501,726 | 13,483,811 |
| | | |
| Purchase consideration settled in cash | - | - |
| Cash outflow on acquisition | - | - |

¹ Subsequent to the acquisition, the directors made a full provision for the loans of New Peak LLC and Success Resources USA LLC amounting to \$6,234,545. The difference is due to foreign currency translation.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 22: RESERVES

a. **Foreign Currency Translation Reserve**

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled subsidiaries.

b. **Common Control Reserve**

The difference between the carrying value of net assets acquired and the consideration paid on common control transaction are recorded in the common control reserve.

| | 2015 | 2014 |
|---|-------------|-------------|
| | \$ | \$ |
| Foreign currency translation reserve | | |
| Exchange differences on translation of foreign operations | 265,659 | - |
| Movement in foreign currency translation reserve | 265,659 | - |
| Common Control reserve | | |
| Difference on carrying value of net assets and consideration paid | 17,985,537 | - |
| Movement in common control reserve | 17,985,537 | - |

NOTE 23: INTERESTS OF KEY MANAGEMENT PERSONNEL (KMP)

a. **Key management personnel compensation**

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) and their shareholdings in the Company for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

| | 2015 | 2014 |
|------------------------------|-------------|-------------|
| | \$ | \$ |
| Short-term employee benefits | 525,398 | 88,859 |
| Post-employment benefits | 17,793 | - |
| Total KMP Compensation | 543,191 | 88,859 |

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Further information in relation to KMP remuneration can be found in the Remuneration Report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 24: RELATED PARTY TRANSACTIONS

Related Parties

a. The Group's main related parties are as follows:

(i) *Entities exercising control over the Group:*

The immediate parent entity that exercises control over the Group is Success Resources International Pte Ltd, which is incorporated in Singapore.

(ii) *Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Remuneration Report disclosed in Directors' Report.

(iii) *Other related parties:*

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

b. Transactions with related parties:

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

c. Related party transactions:

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

The following transactions occurred with related parties:

| | 2015 | 2014 |
|---|-----------|--------|
| | \$ | \$ |
| The following transactions occurred with related parties: | | |
| <i>Sales and purchases of goods and services</i> | | |
| Share of net profits of joint venture | 1,600,663 | - |
| Purchase of management services fee | 329,118 | 60,000 |
| Sales of management services to various entities controlled by Mr. Richard Tan | 277,222 | |
| Purchases of goods and services from various entities controlled by Mr. Richard Tan | 147,950 | - |
| Sales of goods and services to various entities controlled by Mr. Richard Tan | 110,536 | - |
| Rental of premises to Success Resources Holding Sdn. Bhd. controlled by Mr. Richard Tan | 24,239 | - |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 24: RELATED PARTY TRANSACTIONS

| | 2015 | 2014 |
|--|-------------|-------------|
| | \$ | \$ |
| The following transactions occurred with related parties: | | |
| <u>Loans to related parties</u> | | |
| Success Resources Pte Ltd | (330,917) | - |
| Ascent Global Consultancy Pte Ltd | (635,203) | - |
| Success Resources UK Ltd | (74,710) | - |
| Success Resources USA LLC | (391,978) | (70,841) |
| New Peaks LLC | - | (119,224) |
| Empowernet International Pty Ltd | - | (21,866) |
| | (1,432,808) | (211,931) |
| | | |
| Repayment of loans by related party | | |
| New Peaks LLC | 82,941 | |
| | 82,941 | |
| | | |
| <u>Loans from related parties</u> | | |
| Success Resources Pte Ltd | 118,996 | 413,338 |
| Success Resources UK Ltd | 104,218 | - |
| Success Resources Malaysia Sdn Bhd | 85,980 | - |
| | 309,194 | 413,338 |
| | | |
| <u>Payment made to related parties</u> | | |
| Success Resources Pte Ltd | (986,409) | - |
| Success Resources UK Ltd | (209,101) | - |
| | (1,195,510) | - |

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(i) Immediate parent entity

| | | |
|---|-------------|-------------|
| Success Resources International Pte Ltd | | |
| - Loans (payable) | (367,400) | (367,400) |
| - Convertible loan notes (payable) | (411,849) | (408,688) |
| - Convertible loan notes interest (payable) | (242,655) | (235,434) |
| - Management fee (payable) | (413,327) | (162,460) |
| - Management fee | - | 60,000 |
| - Management fee income | 451,292 | - |
| | (1,023,949) | (1,023,949) |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2015

NOTE 24: RELATED PARTY TRANSACTIONS

| | 2015 | 2014 |
|--|---------------|-------------|
| | \$ | \$ |
| Success Resources Pte Ltd | | |
| (ii) <u>Subsidiaries of immediate parent entity</u> | | |
| - Loans receivable | 27,642 | 150,000 |
| - Loans (payable) | (534,642) | (488,364) |
| - Trade payable | (1,768,062) | (600,416) |
| - Trade receivable | 3,046,686 | 153,071 |
| - Management fee (payable) | (68,427) | (60,000) |
| <hr/> | | |
| Success Resources Malaysia Sdn Bhd | | |
| - Trade receivable | 257,895 | 300,674 |
| - Trade payable | (60,363) | (59,806) |
| <hr/> | | |
| Success Resources UK Ltd | | |
| - Loans receivable | 17,774 | - |
| - Loans payable | 75,250 | - |
| - Trade receivable | 285,205 | - |
| - Trade payable | 291,714 | (38,461) |
| <hr/> | | |
| Success Resources South Africa (Pty) Ltd | | |
| - Trade receivable | 37,000 | - |
| - Management fee receivable | 110,999 | - |
| <hr/> | | |
| Success Resources USA LLC, a company subject to significant influence by immediate parent entity | | |
| - Loan receivable | 4,715,926 | 244,583 |
| - Trade receivable | (737,478) | - |
| <hr/> | | |
| New Peaks LLC, a company subject to significant influence by immediate parent entity | | |
| - Promissory note receivable | 10b 2,383,262 | - |
| - Loan receivable | 8,754,655 | - |
| <hr/> | | |
| RTMB Ventures Inc, a company subject to significant influence by immediate parent entity | | |
| - Loan receivable | 921,553 | - |
| <hr/> | | |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED 30 JUNE 2015

NOTE 24: RELATED PARTY TRANSACTIONS

| | 2015 | 2014 |
|---|---------------|-------------|
| | \$ | \$ |
| Success Resources Holdings Sdn Bhd, a company subject to significant influence by immediate parent entity | | |
| - Trade payable | 15,665 | - |
| Ascent Global Consultancy Pte Ltd, a company subject to significant influence by a director, Mr Richard Tan | | |
| - Loan receivable | 653,817 | - |
| EPIC Entertainment Pty Ltd, a company of which Mr. Michael Burnett has significant influence | | |
| - Loan receivable | 1,332,268 | - |
| Loan from Mr. Michael Burnett | 17c 1,563,521 | - |
| Loan from Mr. Richard Tan | 17c 1,517,279 | - |
| (Details on the terms and conditions of these loans is disclosed in Note 17(c)) | | |
| Wolfstar Group Pty Ltd, a company of which Jay Stephenson is a director | | |
| - Secretarial and accounting fee payable | 25,857 | 10,000 |
| - Secretarial and accounting fee | 78,868 | 63,767 |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 25: PARENT INFORMATION

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

| | 2015 | 2014 |
|---|--------------------|--------------------|
| | \$ | \$ |
| Statement of Financial Position | | |
| Assets | | |
| Current assets | 2,487,351 | 3,130,078 |
| Non-current assets | 18,592,476 | 9,463,155 |
| Total assets | 21,079,827 | 12,593,233 |
| Liabilities | | |
| Current liabilities | (2,018,931) | (8,268,982) |
| Non-current liabilities | (411,849) | (408,688) |
| Total liabilities | (2,430,780) | (8,677,670) |
| Equity | | |
| Issued capital | 34,712,880 | 13,651,037 |
| Accumulated losses | (16,063,833) | (9,735,474) |
| Total equity | 18,649,047 | 3,915,563 |
| Statement of Profit or Loss and Other Comprehensive Income | | |
| Total loss for the year | (1,414,332) | (1,401,644) |
| Total comprehensive loss | (1,414,332) | (1,401,644) |

Guarantees

Success Resources Global Limited has not entered into any guarantee, in the current or previous financial years, in relation to the debts of its subsidiaries.

Contingent liabilities

At 30 June 2015 and 30 June 2014, Success Resources Global Limited had no contingent liabilities.

Contractual commitments

At 30 June 2015 and 30 June 2014, Success Resources Global Limited had not entered into any contractual commitment for the acquisition of plant and equipment.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 26: OPERATING SEGMENTS

Identification of reportable segments

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

The Group operated predominantly in one business and five geographical segments, being the provision of personal development seminars and related products and services, covering individual personal, financial, career, health and relationship goals throughout Australia, United States of America, United Kingdom, Singapore and Malaysia.

(a) *Revenue by geographical regions*

Revenue, attributable to external customers is disclosed below, based on the location of the external customer:

| | 2015 | 2014 |
|--------------------------|-------------------|------------------|
| | \$ | \$ |
| Australia | 9,522,804 | 4,815,479 |
| United States of America | 76 | 2,890,471 |
| United Kingdom | - | - |
| Singapore | 5,893,232 | - |
| Malaysia | 1,355,850 | - |
| Total revenue | 16,771,962 | 7,705,950 |

(b) *Results by geographical regions*

Segment (loss)/profit is disclosed below:

| | | |
|--------------------------|---------------------|--------------------|
| Australia | (9,080,029) | (8,065,800) |
| United States of America | (20,562) | (716,916) |
| United Kingdom | 1,539,742 | - |
| Singapore | (6,431,625) | - |
| Malaysia | (90,732) | - |
| Total loss | (14,083,206) | (8,782,716) |

(c) *Assets by geographical regions*

The location of segment assets by geographical locations of the assets is disclosed below:

| | | |
|--------------------------|-------------------|-------------------|
| Australia | 13,490,259 | 9,748,197 |
| United States of America | - | 328,587 |
| United Kingdom | 1,539,742 | - |
| Singapore | 7,325,217 | - |
| Malaysia | 2,151,658 | - |
| Total assets | 24,506,876 | 10,076,784 |

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 26: OPERATING SEGMENTS

| | 2015 | 2014 |
|--|-------------------|-------------------|
| | \$ | \$ |
| (d) <i>Liabilities by geographical regions</i> | | |
| The location of segment assets by geographical location of the liabilities is disclosed below: | | |
| Australia | 3,208,101 | 11,134,854 |
| United States of America | 737,478 | 1,045,503 |
| United Kingdom | - | - |
| Singapore | 10,376,625 | - |
| Malaysia | 842,264 | - |
| Total liabilities | 15,164,468 | 12,180,357 |

NOTE 27: CONTINGENT LIABILITIES

For information about guarantees given by parent, refer to Note 25.

NOTE 28: COMMITMENTS

| a. Operating Lease Commitments | 2015 | 2014 |
|--|------------------|-------------|
| | \$ | \$ |
| Non-cancellable operating leases contracted for but not recognised in the financial statements | | |
| Payable – minimum lease payments: | | |
| – not later than 12 months | 609,869 | - |
| – between 12 months and 5 years | 1,136,430 | - |
| – later than 5 years | - | - |
| | 1,746,299 | - |

The property lease is a non-cancellable lease, with rent payable monthly in advance.

| b. Remuneration Commitments | | |
|--|----------------|----------|
| Remuneration commitments contracted for: | | |
| Blessed Global Pte Limited – Richard Tan | 210,000 | - |
| Michael Burnett | 210,000 | - |
| | 420,000 | - |

On 1 March 2015, the Group engaged Blessed Global Pte Limited, and Mr Michael Burnett to provide services of the position of managing director and Chief Executive Officer for the Group for the term of 3 years.

In absence of a new contract, the respective employment/contractor contract may only be terminated by either party giving the other party 6 months' written notice.

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR YEAR ENDED 30 JUNE 2015

NOTE 29: EVENTS AFTER THE REPORTING DATE

3 July 2015, 190,476 fully paid ordinary shares at \$0.1575 per share were issued to a consultant, Sekel Oshry in lieu of legal fees.

Except as stated above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the consolidated group in future financial years.

NOTE 30: COMPANY DETAILS

The registered office and principal of business of the company is:

Level 9, 368 Sussex Street
Sydney NSW 2000
Australia

Success Resources Global Limited
ABN 60 091 509 849 and Controlled Entities

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Success Resources Global Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 28 to 80, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); 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 consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.



Richard Tan
Executive Chairman

Dated this 30th day of September 2015

**SUCCESS RESOURCES GLOBAL LIMITED
ABN 60 091 509 849
AND CONTROLLED ENTITIES****INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF SUCCESS RESOURCES GLOBAL LIMITED****SYDNEY**Level 40
2 Park Street
Sydney NSW 2000
AustraliaGPO Box 3555
Sydney NSW 2001Ph: (612) 9263 2600
Fx: (612) 9263 2800**Report on the Financial Report**

We have audited the accompanying financial report of Success Resources Global Limited, 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

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 judgment, 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 entity'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 the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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Auditor's Opinion

In our opinion:

- a. the financial report of Success Resources Global Limited is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the consolidated entity's financial position as at 30 June 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 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report which indicates that the company incurred a net loss of \$14,083,206 during the year ended 30 June 2015 and as of that date the company's current liabilities exceeded its current assets by \$5,325,593. These conditions, along with other matters as set forth in Note 1(a) indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realize its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 19 to 24 of 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 s 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 Success Resources Global Limited for the year ended 30 June 2015 complies with s 300A of the Corporations Act 2001.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000

G Webb

Graham Webb

Partner

Dated: 30 September 2015

Success Resources Global Limited)
ABN 60 091 509 849 and Controlled Entities

ADDITIONAL INFORMATION

The following additional information is required by the Australian Securities Exchange in respect of listed public companies only and is current as at 30 September 2015.

1. Shareholding

| a. Distribution of Shareholders as at 30 September 2015 | Number |
|--|-----------------|
| Category (size of holding) | Ordinary |
| 1 – 1,000 | 10,859 |
| 1,001 – 5,000 | 584 |
| 5,001 – 10,000 | 48 |
| 10,001 – 100,000 | 290 |
| 100,001 – and over | 113 |
| | 11,894 |

b. The number of shareholdings held in less than marketable parcels is 11,472.

c. The names of the substantial shareholders listed in the holding company's register as at 18 September 2015 are:

| Shareholder | Number |
|---|-----------------|
| | Ordinary |
| Success Resources International Pte Ltd | 118,063,121 |
| Susan Joy Burnett <Burnett Family A/C> | 66,071,428 |
| Success Resources SDN BHD | 27,777,778 |
| Citicorp Nominees Pty Limited | 7,845,881 |

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

a. **20 Largest Shareholders — Ordinary Shares as at 30 September 2015:**

| Name | Number of Ordinary Fully Paid Shares Held | % Held of Ordinary Fully Paid Shares Held |
|--|--|--|
| 1 Success Resources International Pte Ltd | 118,063,121 | 41.36 |
| 2 Susan Joy Burnett <Burnett Family A/C> | 66,071,428 | 23.15 |
| 3 Success Resources SDN BHD | 27,777,778 | 9.73 |
| 4 Citicorp Nominees Pty Limited | 7,825,881 | 2.74 |
| 5 Mr Ian R Cook + Mrs Gwenda A Cook <IR Cook Super Fund A/C> | 7,507,938 | 2.63 |
| 6 Han Yon Tee | 5,000,000 | 1.75 |
| 7 ABN Amro Clearing Sydney Nominees Pty Ltd | 4,242,949 | 1.49 |

Success Resources Global Limited)
ABN 60 091 509 849 and Controlled Entities

| | | | |
|----|--|--------------------|--------------|
| 8 | Nefco Nominees Pty Ltd | 2,862,500 | 1.00 |
| 9 | Tjang Tjung FA | 2,500,000 | 0.88 |
| 10 | AK Mott Investments Pty Ltd <The Mott Investment A/C> | 2,083,334 | 0.73 |
| 11 | Louis Fun Jeng Chen | 1,625,000 | 0.57 |
| 12 | AK Mott Investments Pty LTd | 1,250,000 | 0.44 |
| 13 | Mr Justin Foxx | 1,250,000 | 0.44 |
| 14 | IFreedom Inc. | 1,000,000 | 0.35 |
| 15 | Mr Siow Gian Patrick Liew | 705,769 | 0.25 |
| 16 | Mr Peng Joon Chan | 675,000 | 0.24 |
| 17 | Mr Ross A McConville | 550,000 | 0.19 |
| 18 | Mr Kay Yong Tan | 517,000 | 0.18 |
| 19 | Fiocathala Nominees Proprietary Limited <CD Chester Superfund A/C> | 500,000 | 0.18 |
| 20 | Tang Siow Guan + Ong Soh Than | 500,000 | 0.18 |
| | | 252,507,698 | 88.48 |

2. The name of the company secretary at 30 September 2015 is Jay Stephenson.

3. The address of the principal registered office in Australia is:

Level 9
368 Sussex Street
Sydney NSW 2000

4. Registers of securities are held at the following address:

Link Market Services
680 George Street
Sydney NSW 2000
Telephone: +61 1300 554 474

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

6. Other Disclosures

There are no SGU securities under voluntary escrow.

There are no options on issue.

There is no current on-market buy-back.

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RESOURCES**
YOUR LEARNING PARTNERS

Success Resources Global Ltd
Level 9, 368 Sussex Street Sydney NSW 2000 Australia