FLEXIROAM LIMITED

ACN 143 777 397

ANNUAL REPORT 2017

ASX:FRX

ANNUAL REPORT TABLE OF CONTENTS

CORPORATE INFORMATION

DIRECTORS	Jefrey Ong Dato' Larry Gan Nyap Liou Paul Khong Cheryl Yeoh Wai Hong Fong
COMPANY SECRETARY	Kim Hogg
REGISTERED OFFICE	79 Broadway, NEDLANDS WA 6009
PRINCIPAL PLACE OF BUSINESS	22-2 Jalan PJU 8/3A, Bandar Damansara Perdana, 47820, Petaling Jaya, Selangor D.E., Malaysia
AUDITORS	HLB Mann Judd Level 4, 130 Stirling Street, PERTH WA 6000
BANKERS	National Australia Bank 100 St Georges Terrace, PERTH WA 6000
SOLICITORS	Dean & Co. Lot 1, Aman Kiara, No. 1, Jalan Kiara 5 Mont Kiara, 50480, Kuala Lumpur, Malaysia Ph : 603 6211 0771 Fax : 603 6207 5475
SHARE REGISTRY	Advanced Share Registry 110 Stirling Highway, NEDLANDS WA 6009 Ph : 08 9389 8033 Fax : 08 9262 3723
SECURITIES EXCHANGE LISTING	Flexiroam Limited shares are listed on the Australian Securities Exchange (ASX code : FRX)
WEBSITE	www.flexiroam.com
CONTACT INFORMATION	Ph: +61-8-62252 364 Email: investor@flexiroam.com

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders,

The 2017 financial year was a busy and noteworthy year for the Company. We undertook a major product overhaul, streamlining the entire portfolio into a singular App, which culminated in the launch of the Company's flagship product, Flexiroam X in June 2016. The launch of Flexiroam X represented a move from voice and messaging to "data centricity" in response to the rapidly changing marketplace. There was compelling data indicating that mobile users were moving to Over the Top (OTT) applications such as WhatsApp & WeChat for their voice and messaging requirements. Following careful assessment of our technology's capabilities and our available resources, management recommended the Company's focus turn squarely to becoming a global data provider to complement OTT players.

To position ourselves to be able to capitalise on this major trend shift, we embarked upon an aggressive marketing campaign by offering free data to travellers. This move captured the attention of major players in the travel and transportation industries, resulting in a number of significant partnerships forged at various levels of collaboration. The partnership agreements provided Flexiroam with substantial promotional opportunities, and included iconic industry leaders such as Tripadvisor, PATA, major regional airlines, Grab and GoJek. Almost overnight we had an additional audience of around 100 million people looking at Flexiroam X and the advantages it offers to travellers around the world. I believe strongly that Flexiroam X is a product that will elevate the Company from the periphery to the mainstream telco market.

The process of commercialising Flexiroam X has also given us additional insight to our customers' consumption behavior. For example, we know that the majority of our subscriber base who have become repeat customers are frequent flyers, small business owners and airline cabin crews. By gathering meaningful data around customer behavior for granular analysis, our sales and marketing team can now focus their efforts in tailoring product and promotional offerings more effectively to our customers, ensuring a better user experience and ultimately providing a higher rate of return for each marketing dollar spent. Our product development team are also using our in-house data intelligence extensively to build, modify and improve Flexiroam X so that it caters more specifically to the requirements of our customers.

Because FY2017 was in many respects a transitional year for us, and as is so often the case where an innovative new product is introduced, it has taken time to gain traction in the marketplace, and the reduction in sales from the previous financial period is a reflection of this. It should also be remembered that because Flexiroam X is used by travellers, there can often be a lag between the Company entering into a major partnership agreement and the corresponding financial impact of such an agreement, since people's travel plans occur over time, and they are more likely to subscribe when they are reasonably close to their travel dates. We remain confident that the numerous partnership agreements we have established through the year will bear fruit over time.

At this point I would like to pay tribute to my colleagues. The level of dedication and energy that they bring to the Company is extraordinary. I would also like to thank you my fellow shareholders for your encouragement and ongoing commitment to support the Company's growth agenda. We also welcome new shareholders to our register. We firmly believe the future holds considerable opportunity for us to expand and we remain determined to maximise value for all shareholders as we continue our journey to improve mobile roaming technology.

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

Jefrey Ong
Chief Executive Officer

BOARD OF DIRECTORS

JEFREY ONG
Managing Director

A graduate from Champlain College with a Bachelor Degree in Computer Science, Jef has over 15 years of experience working in the telecommunication industry. Prior to founding Flexiroam in 2011, Jef founded 2 other companies in Malaysia selling software solutions to major telecommunication companies.

DATO' LARRY GAN
Non-Executive Director

A certified management consultant and chartered accountant, Dato' Larry is a seasoned and strategic investor focusing on investing in eCommerce and digital businesses. He serves as board member in several public listed companies.

CHERYL YEOH
Non-Executive Director

A graduate of Cornell University with Masters in Engineering, Cheryl was the founding CEO of MaGIC an ASEAN startup initiative. She founded Reclip.It which was later sold to Walmart Labs. She currently advises and consults for startups and corporations through her company, Cheryl Yeoh & Co.

BOARD OF DIRECTORS

PAUL KHONG

Non-Executive Director

An MBA graduate of Golden Gate University, Paul has over 20 years of experience in corporate finance. He was the managing director of IFS New York, a boutique foreign exchange brokerage and co-founder of Kensington Investment, a real estate investment company.

WAI HONG FONG

Non-Executive Director

A graduate of University of Melbourne with a Bachelor Degree in media and communication, Fong is a serial technopreneur and was named Australia's best young entrepreneur. He has co-founded OzHut a milti-niche retailer and Storehub a cloud based store management system.

GROWTH STRATEGY

FLEXIROAM FOUR STRATEGIC IMPERATIVES

Our road map to making Flexiroam X the main data roaming partner for travellers is based on the following four strategic imperatives:

TECHNOLOGICAL INNOVATION

Research & Development

Introduce disruptive technology to stay ahead of the competition through continuous R&D.

COUNTRY EXPANSION

New Market Penetration

Capture new markets by expanding into countries with high travellers density.

SUBSCRIBER GROWTH

Strategic Partnership

Leverage on existing and new network of strategic partnerships to grow subscribers.

INCREASE REVENUE PER SUBSCRIBER

ARPU

Increase average revenue per user through new features, plans & vertical offerings to customers.

FLEXIROAM X MICROCHIP

- Flexiroam X is an ultra thin 0.08mm microchip.
- Apply once on top of an existing SIM to enable data roaming in over 100 countries.
- No more hassle of buying and changing SIMs every time you travel.
- Offers convenient & secure connectivity.

International Security Certification

Encryption

- Messages are encrypted with International standards
- Unique encryption key for every embedded microchip

Confidential/Privacy

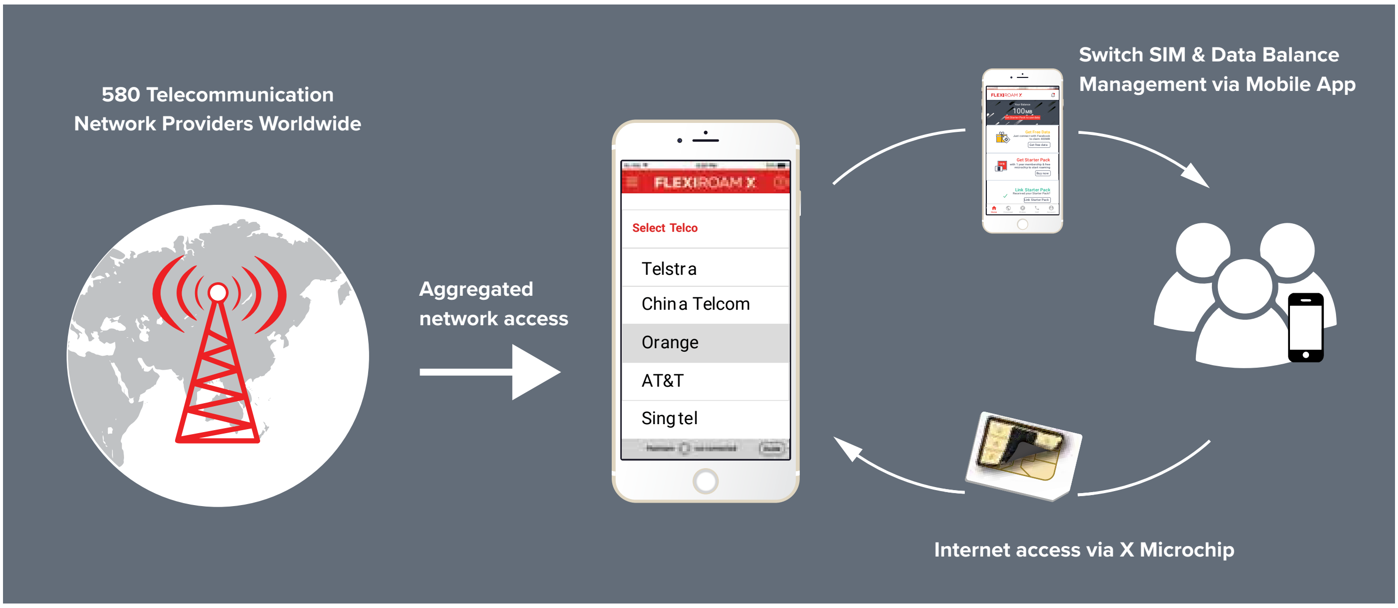
- 2 level encryption for OTA transmission providing end-to-end data encryption security

Encryption

- Anti-Tearing & Applets isolated by firewalls
- Support X.509 personal certification - 16 PINS & KEYS protection

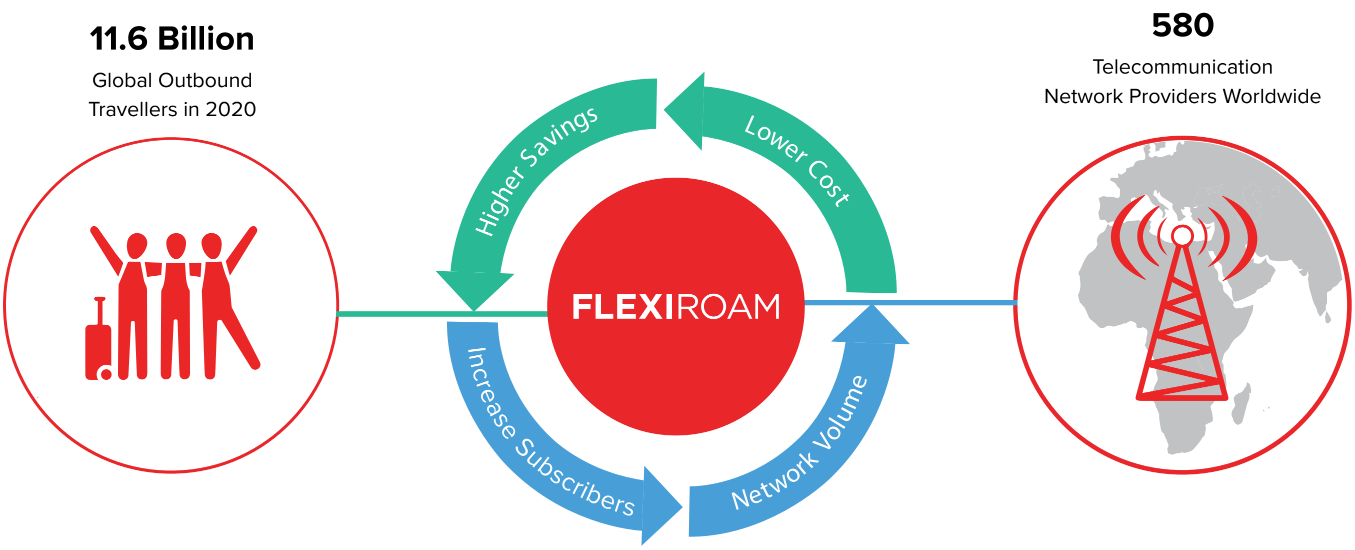
FLEXIROAM VIRTUAL INFRASTRUCTURE

HOW IT WORKS



FLEXIROAM BUSINESS MODEL

OFFER DATA ROAMING COSTS SAVINGS BY ROUTING DATA TRAFFICS TO OUR TELCO PARTNERS.



1: http://www.amadeus.com/media/travel_gold_rush_2020/Goldrush_big.jpg

GLOBAL DATA ROAMING DEMAND OUTLOOK

GLOBAL MOBILE SUBSCRIBERS

UNIQUE SUBSCRIBERS

2020
5.6bn

2015 - 2020
3.9%
CAGR

PENETRATION RATE

2020
72%

Increase in market size
Target a larger pool of subscribers

AVERAGE MONTHLY DATA CONSUMPTION

2015
0.9 GB

2020
4.4 GB

The average data consumption per person will be 4 times more by 2020 globally

1. https://www.gsmaintelligence.com/research/?file=ce941b8dce8ddf5dc53c5fc3461a4295&download

2. http://www.cisco.com/c/en/us/solutions/collateral/service-provider/visual-networking-index-vni/mobile-white-paper-c11-520862.html

FINANCIAL PERFORMANCE ANALYSIS

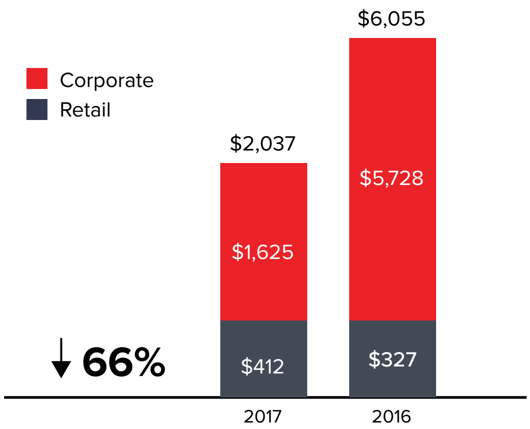
This section provides detailed information and analysis about the Group's financial performance in financial year 2017 compared with previous (nine-month) reporting period in financial year 2016, focusing on Group operating results.

The operating results for 2017 were ostensibly a step backwards for the Group, but should be viewed in the context of a major technological development – the unveiling in May 2016 of what is now our flagship product, Flexiroam X. This product is the culmination of years of experience in providing cutting edge roaming services to travelers globally, and consists of an ultra-thin 0.08mm microchip and a mobile app. It allows users high speed cellular data access in more than 100 countries around the world without having to change their SIM card.

1. OPERATING REVENUE

(in $'000)

	2017	2016	$ CHANGE	% CHANGE
Corporate	**1,625**	5,728	(4,103)	(72%)
Retail	**412**	327	85	26%
Total Sales	**2,037**	6,055	(4,018)	(66%)

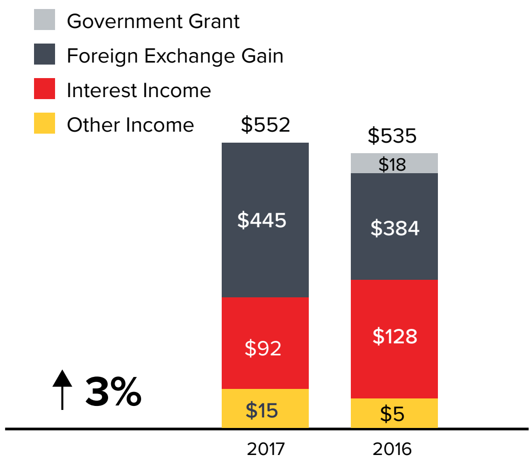


As is often the case where an innovative product is introduced, there has been a degree of market inertia in the take-up of Flexiroam X, and sales momentum has been modest at best. While the Group's operating revenues from retail sales increased by 26%, overall operating revenues declined by 66% from the previous (nine-month) reporting period, due to a 72% decline in corporate revenues. The overall decline in sales reflected the transition effect of discontinuing the sale of traditional SIM products which emphasizes on voice, to selling only Flexiroam X which focuses on data.

2. OTHER REVENUE

(in $'000)

	2017	2016	$ CHANGE	% CHANGE
Government grant	**-**	18	(18)	(100%)
Foreign exchange gain	**445**	384	61	16%
Interest income	**92**	128	(36)	(28%)
Other income	**15**	5	10	203%
	552	535	17	3%

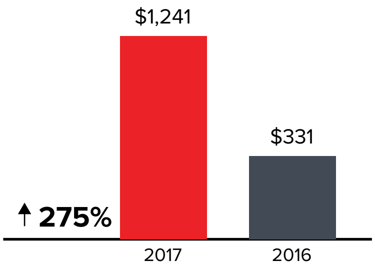


The Group received no government grants in FY2017. Foreign exchange gains were 16% higher than the previous reporting period, interest income from deposits with banks was 28% lower due to relatively lower yields and the net reduction in average cash holding in FY2017.

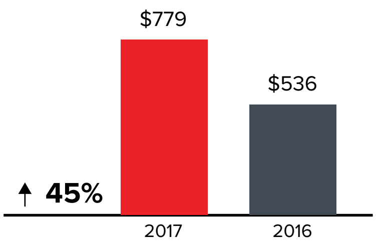
3. OPERATING COSTS

(in $'000)

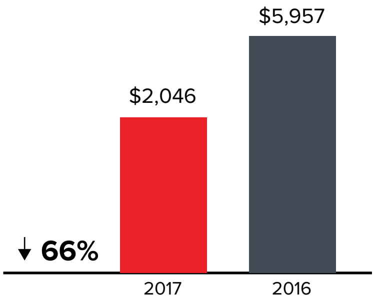
	2017	2016	$ CHANGE	% CHANGE	% of REVENUE 2017	% of REVENUE 2016	% of COSTS 2017	% of COSTS 2016
Network cost	**1,241**	**331**	**910**	**275%**	**61%**	**5%**	**16%**	**3%**
Material cost	49	68	(19)	(28%)	2%	1%	1%	1%
Commission	72	31	41	133%	4%	1%	1%	0%
Development expenditure	-	15	(15)	(100%)	0%	0%	0%	0%
Administrative and operating expenses	**779**	**536**	**243**	**45%**	**38%**	**9%**	**10%**	**5%**
Marketing expenses	**2,046**	**5,957**	**(3,911)**	**(66%)**	**100%**	**98%**	**26%**	**54%**
Research & development	**642**	**106**	**536**	**503%**	**32%**	**2%**	**8%**	**1%**
Staff cost	**843**	**726**	**117**	**16%**	**41%**	**12%**	**11%**	**7%**
Share-based expenses	-	949	(949)	(100%)	0%	16%	0%	9%
Allowance for doubtful debts	33	122	(89)	(73%)	2%	2%	0%	1%
Impairment losses	-	661	(661)	(100%)	0%	11%	0%	6%
Finance expense	38	6	32	505%	2%	0%	0%	0%
Operating costs excluding depreciation & amortisation	5,743	9,508	(3,765)	(40%)	282%	157%	74%	86%
Depreciation	**90**	**27**	**63**	**229%**	**4%**	**0%**	**1%**	**0%**
Amortisation	**1,896**	**1,584**	**312**	**20%**	**93%**	**26%**	**25%**	**14%**
Total operating costs	7,729	11,119	(3,390)	(30%)	379%	184%	100%	100%



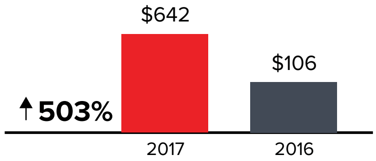
NETWORK COST



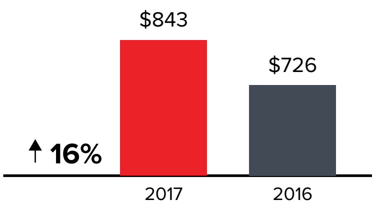
ADMINISTRATIVE & OPERATING EXPENSES



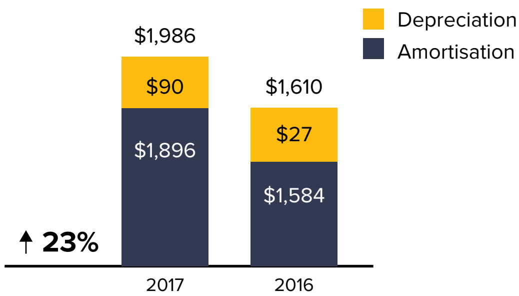
MARKETING EXPENSES



RESEARCH & DEVELOPMENT



STAFF COST



DEPRECIATION & AMORTISATION

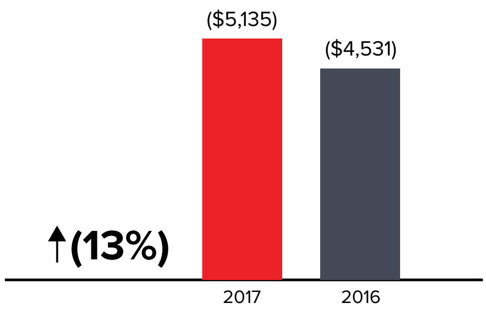
On the other side of the equation, operating costs before depreciation and amortisation decreased by 40% in FY2017 compared to the previous reporting period, as substantive cost savings were achieved through optimisation of our digital marketing strategy. The savings in this area more than offset increases in other elements of operating costs. The following operating costs had registered increases compared to the previous financial period:

- Network costs increased by 275%, primarily because promotional codes were converted to data usage;
- Administrative and operating expenses increased by 46% due to higher professional and consultant fees, as well as higher rental for our retail stores located at airports;
- Research and development increased by 503% reflecting Company commitment to developing the Flexiroam App and improving technology and innovation; and
- Staff costs for the Group increased by 16%, primarily because of the increased headcount (headcount averaged 56 in FY2017 versus 51 in the previous reporting period).

4. LOSS FOR THE YEAR / PERIOD

(in $'000)

	2017	2016	$ CHANGE	% CHANGE
Loss before income tax	**(5,139)**	(4,528)	(611)	13%
Income tax benefit / expense	**4**	(3)	7	(235%)
Loss For The Period	**(5,135)**	(4,531)	(604)	13%

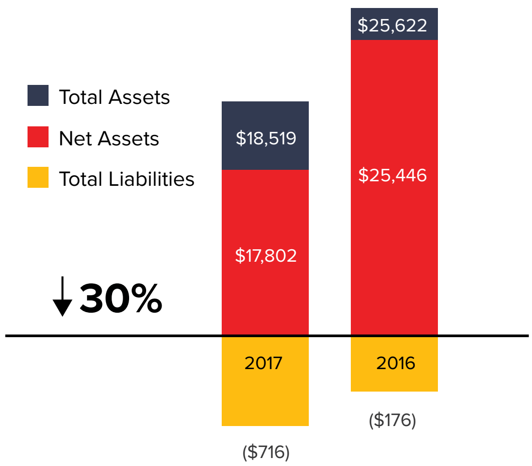


Loss for the period increased marginally by 13% due to lower revenue in FY2017.

5. NET ASSETS

(in $'000)

	2017	2016	$ CHANGE	% CHANGE
Total assets	**18,519**	25,622	(7,103)	(28%)
Total liabilities	**(716)**	(176)	(540)	307%
Net assets	**17,802**	25,446	(7,644)	(30%)



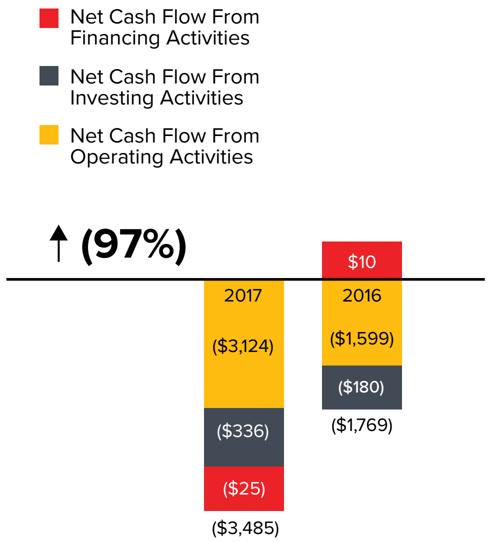
Net assets decreased by 30% to $17,802 thousand from $25,446 thousand as total assets decreased while total liabilities increased. Total assets decreased 28% to $18,519 thousand from $25,662 thousand, primarily due to the decrease in cash balance and intellectual property carrying value. Trade and other receivables decreased to $68,537 from $97,350 in FY2016, reflecting improved effectiveness of Group's credit management and debt recovery effort.

Total liabilities increased by 307% primarily due to the increase in deferred revenue from $754 in FY2016 to $389,959 in FY2017. The amount of deferred revenue will derecognise when revenues are recognised in FY2018.

6. CASH FLOW

(in $'000)

	2017	2016	$ CHANGE	% CHANGE
Net cash flow from operating activities	**(3,124)**	(1,599)	(1,526)	95%
Net cash flow from investing activities	**(336)**	(180)	(156)	87%
Net cash flow from financing activities	**(25)**	10	(35)	(350%)
Net cash flow generated	**(3,485)**	(1,769)	(1,716)	97%



The Group registered a total net cash outflow of $3,485 thousand in FY2017, representing a 97% increase compared to the total net cash outflow of $1,769 thousand in FY2016. Net cash outflow from operating activities increased by 95% to $3,124 thousand in FY2017 as receipts from sales decreased by 40% while payment for operating expenses in FY2017 was maintained at FY2016 level. The Group continued to spend extensively on marketing and research and development in FY2017. Net cash outflow from investing activities increased by 86% due to increased investment in plant and equipment.

CORPORATE CALENDAR

QUARTER 1

JUNE 2016

1 June

Launches flagship Flexiroam X, a state of the art mobile application which works with a thin, microchip-embedded film to be applied over user's existing SIM.

27 June

Announces partnership with Netccentric Limited (ASX : NCL) collaborating with Netccentric subsidiary AroiMakMak.com to drive awareness and distribute Flexiroam X. AroiMakMak.com is a popular online travel and lifestyle resource centre for international travellers seeking for best places for food, shopping and entertainment in Bangkok.

QUARTER 2

AUGUST 2016

17 August

Receives an endorsement from Pacific Asia Travel Association ("PATA") as its Preferred Mobile and Data Partner. PATA is a non-profit organisation comprising 95 governmental tourism bodies, 29 international airlines and 63 educational institutions, with over 17,000 travel professionals. As PATA's preferred partner Flexiroam X will be featured in all the activities and events that PATA organises globally.

24 August

Enters into a strategic partnership agreement with TripAdvisor, the world's largest travel website with 350 million average monthly unique visitors, 385 million reviews and opinions covering 6.6 million accommodations, restaurants and attractions. This partnership gives the opportunity to Flexiroam to co-brand with TripAdvisor to deliver greater value and more diverse users experience to Flexiroam X subscribers.

QUARTER 3

OCTOBER 2016

7 October

Signs a sponsorship agreement with Foodpanda to undertake a joint marketing campaign to create brand awareness. Foodpanda is a leading online food delivery services provider active in over 580 cities around the world. In the joint marketing campaign Flexiroam will sponsor Flexiroam X Starter Packs for grand prize winners and free data for all Foodpanda users who become new Flexiroam X users. Foodpanda will feature Flexiroam on its social media platforms and vice-versa.

25 October

Launches an updated version of Flexiroam X in iOS and Android to support multiple languages to localise FLEXIROAM X.

19 October

Enters into a partnership agreement with Carousell Pte Ltd to undertake a joint marketing campaign to create brand awareness. Carousell is a Singapore based community marketplace that boasts one of the world's largest and fastest growing mobile marketplace apps. The campaign is designed to target consumers who are planning for year-end holiday and looking for travel related items in Carousell.

NOVEMBER 2016

11 November

Updated Flexiroam X with "Data for Voice" functionality to make international calls to mobile and fixed lines in over 100 countries from users' data pool.

15 November

Enters into partnership agreement with Singapore Airlines Staff Union ("SIASU") to collaborate on marketing and sales of Flexiroam X to SIASU members for a period of two years.

18 November

Signs a sponsorship agreement with Tripzilla of Singapore. Tripzilla travel portal collates the latest tour packages from hundreds of travel agencies in Singapore and aggregates them on their website for price comparison and booking. Flexiroam and Tripzilla together with Hotel Boss Singapore are partnering for a giveaway contest, where participants stand a chance to win a free stay in Hotel Boss Singapore and enjoy free data from Flexiroam X when they travel.

29 November

Enters into partnership agreement with Shopee Mobile Malaysia. Shopee is a major mobile marketplace in Southeast Asia and Taiwan, where everyone can browse, shop and sell. Flexiroam will be participating in Shopee's first anniversary celebration as a sponsor. As an official partner, Flexiroam's brand and logo will be featured on Shopee's marketing channels, including mobile app and social media platforms.

DECEMBER 2016

5 December

Appoints a subsidiary of Brightstar Corp as a consignee with exclusive rights to display and sell Flexiroam X. Brightstar distributes and manages inventories for mobile device manufacturers, wireless operators and retailers. Globally Brightstar serves over 200 mobile network operators, 50,000 retailers and 15,000 enterprise customers.

QUARTER 4

JANUARY 2017

16 January

Enters into a partnership agreement with Chan Brothers, one of Singapore's largest travel agents and tour operators with over 50 years' experience in the travel industry. In this agreement Chan Brothers will purchase Flexiroam X and advertise Flexiroam's products and services on their marketing channels, including Facebook posts, newspapers and website banners.

FEBRUARY 2017

9 February

Enters into partnership agreement with Triip Pte Ltd to target Vietnamese outbound travellers. Triip is an impact travel company that operates a global sharing-economy platform with over 6,000 tours in 100 countries around the world and is very strong in its base market Vietnam.

MARCH 2017

1 March

Launches an updated version of Flexiroam X app. The updated app boasts a completely revamped design and contains exciting new features that enhance users experience.

15 March

Signs a partnership agreement with Grab, Southeast Asia's leading ride-hailing platform, as a partner in the GrabRewards Loyalty Program. GrabRewards is Southeast Asia's first regional loyalty program for ride-hailing passengers. Flexiroam will be featured in Grab's marketing channels such as their app, press release and blog, gaining exposure to over 33 million Grab customers.

22 March

Enters into a partnership with Smart Malaysia Apps Sdn Bhd who developed the Smart-I Go Malaysia mobile app designed specifically for tourists visiting Malaysia. The partnership is tailored to meet the needs of tourists in Malaysia by enhancing their overall travel experience. Smart-I users are able to view and purchase Flexiroam X starter packs and get free data via the app.

29 March

Signs a partnership agreement with GO-JEK, a leading on-demand mobile platform in Indonesia, to collaborate in a customer loyalty program promotion where GO-JEK customers can exchange their points for Flexiroam vouchers to redeem data via the Flexiroam X app. GO-JEK runs promotional campaigns featuring Flexiroam across 5 channels of communication; Facebook, Twitter, Line, GO-JEK newsletters and Instagram. The partnership provides Flexiroam with a solid entry point to the lucrative Indonesian market

ACCOLADE

FROST & SULLIVAN

17 March 2017
Jeffrey Ong
Chief Executive Officer, Flexiroam

Dear Jeffrey,

On behalf of Frost & Sullivan, We are pleased to announce that Flexiroam is the recipient of the

2017 Frost & Sullivan Southeast Asia Innovative Roaming Mobile Service Provider of the Year

The Frost & Sullivan Best Practice awards have identified and honored best-in-class companies that have demonstrated excellence in their respective industries. Award recipients were identified based on in-depth interviews, analysis, and extensive secondary research conducted by Frost & Sullivan's analysts. Companies are typically studied on their revenues, market share, capabilities, and overall contribution to the industry in order to identify best practices.

Flexiroam provide one of the most innovative and highly scalable international roaming solution leveraging a physical sticker based SIM combined with the power of mobile application. The product & service offered allow Flexiroam to successfully competes against all segment of telco service providers including - Traditional mobile service providers, Mobile App based OTT players, and International roaming SIM providers. Flexiroam has established one of the widest international roaming network across the globe which enable the grow subscriber base by almost 40% and monetize the regional roaming business opportunity.

With its strong overall performance, Flexiroam has earned the 2017 Frost & Sullivan Southeast Asia Innovative Roaming Mobile Service Provider of the Year. We also recognize that your receipt of this award is the result of many individuals (employees, customers and investors) making daily choices to believe in the organization and contribute in a meaningful way to its future.

Once again, we congratulate you on your achievements and wish you great success in the future. We are here to support you on any future endeavors. wish you great success in the future. We are here to support you on any future endeavors.

Thank you,

Manoj Menon

Senior Partner
Managing Director, Asia Pacific
Frost & Sullivan

DIRECTOR'S REPORT

The Directors of Flexiroam Limited ('the Company') and its controlled entities submit herewith their report together with the financial statements of the company ('the Group') for the year ended 31 March 2017.

1. DIRECTORS

The names and particulars of the directors of the Company during or since the end of the year 31 March 2017 are:

NAME	PARTICULARS
Jefrey Ong **(Appointed 18 March 2015)**	**Executive Director and CEO** Jefrey has over 15 years of experience in the telecommunication industry and has co-founded three different technology-based companies. He is currently a Director of Flexiroam Sdn Bhd, and Reapfield Technology Sdn Bhd. Jefrey is a graduate from Chaplain College with a Bachelor Degree in Computer Science. Jefrey has not held directorships in any other Australian listed companies during the past three financial years.
Dato' Larry Gan Nyap Liou **(Appointed 18 November 2015)**	**Non-Executive Director** Dato' Larry Gan Nyap Liou is a Certified Management Consultant and a Chartered Accountant. He is a strategic investor in eCommerce and digital enterprises, and operates an extensive business network of entrepreneurs, incubators, consulting professionals and investment funds. Dato' Larry Gan Nyap Liou was a worldwide partner in Accenture, the leading global business and technology consulting firm, for 16 years and held many global leadership positions. Over a career span of 26 years, he consulted on strategic projects for government organisations and multinational corporations, and invested and worked with innovative technologies around the world. Other directorships in Australian listed companies during the past three financial years are as follows: • Fatfish Internet Group Limited – Non-executive Director – appointed on 1 September 2014. • 8common Limited – Non-executive Director – appointed on 31 March 2014.
Paul Khong **(Appointed 22 April 2016)**	**Non-Executive Director** Paul, an MBA graduate of Golden Gate University, has over twenty years of exprience in the corporate financial and education sectors. He headed a boutique investment company in San Francisco and later relocated to New York to take up the position as the Vice President of Marketing of IFS (New York) Inc. Paul currently lectures at a training institute in Perth, Western Australia delivering Leadership and Management courses. He is also a Director of Getright Digital Australia which offers digital, website & app solutions for small and start-up businesses. Paul has not held directorships in any other Australian listed companies during the past three financial years.

DIRECTOR'S REPORT

1. DIRECTORS - CONTINUED

NAME	PARTICULARS
Wai Hong Fong **(Appointed 1 October 2016)**	**Non-Executive Director** Wai Hong is a serial tech entrepreneur and was named Australia's Best Young Entrepreneur in 2011 by StartupSmart. He was also amongst Melbourne's top 100 most influential people as published by The Age Newspaper that same year. Immediately after completing his BA at the University of Melbourne, he co-founded and was the Managing Director at OzHut, a multi niche online retailer for 5 years. He is also the co-founder of StoreHub, a Cloud Based Store Management System for SMEs. Storehub was a finalist in Alliancebank Bizsmart Academy SME Innovation Challenge (2014). Wai Hong has not held directorships in any other Australian listed companies during the past three financial years.
Cheryl Yeoh **(Appointed 1 October 2016)**	**Non-Executive Director** Cheryl Yeoh holds a Bachelor of Science in Operations Research and Industrial Engineering and a Masters of Engineering in Engineering Management. She was the founding CEO of Malaysian Global Innovation & Creative Centre (MaGIC). She also co-founded Reclip.It and CityPockets Inc. She currently runs her own advisory and consulting services company, Cheryl Yeoh & Co., and also serves as the Acting CMO of Hack Reactor. Cheryl has not held directorships in any other Australian listed companies during the past three financial years.
Adam Sierakowski **(Appointed 18 March 2015, resigned 23 August 2016)**	**Non-Executive Chairman** Adam is a lawyer and founding director of the legal firm Price Sierakowski. He has over 15 years' experience in legal practice, much of which he has spent as a corporate lawyer consulting and advising on a range of transactions to a variety of large private and listed public entities. As the co-founder of Trident Capital Pty Ltd, Adam has advised a variety of public and private clients on structuring of their transactions and has been engaged in co-ordinating fund raising both domestically and internationally. Other directorships in Australian listed companies during the past three financial years are as follows: • Corizon Resources Limited – Director – appointed on 2 October 2010. • Kinetiko Energy Limited – Director – appointed on 8 December 2010. • iWebGate Limited – Director – appointed on 23 July 2012, resigned 12 February 2016. • Resapp Health Limited – Director – appointed on 20 December 2013, resigned 22 March 2016.

DIRECTOR'S REPORT

1. DIRECTORS - CONTINUED

NAME	PARTICULARS
Stephen Hewitt-Dutton (Appointed 21 May 2010, resigned 24 August 2016)	**Non-Executive Director** Stephen has over 20 years of experience in corporate finance, accounting and company secretarial matters. He is an Associate Director of Trident Capital and holds a Bachelor of Business from Curtin University and is an affiliate of the Institute of Chartered Accountants. Previously Stephen was an Associate Director of Carmichael Corporate where he assisted clients by providing equity market, IPO and M&A advice and assistance. He has also held Financial Controller and Company Secretary positions for both public and private companies for in excess of 15 years. Other directorships in Australian listed companies during the past three financial years are as follows: • Rision Limited – Director – appointed on 13 March 2012, resigned on 2 February 2016. • Mach7 Technologies Limited – Director – appointed on 6 October 2010, resigned on 8 April 2016.
Dr Joe Wong (Appointed 18 November 2015, as alternate director to Dato' Larry Gan Nyap Liou, resigned 27 March 2017)	**Alternate Director** Dr Joe Wong holds a Computer Science B.Sc. Degree and a Doctorate in Pharmacy and Healthcare Administration from the University of Louisiana, USA. He has co-authored published research papers in the areas of healthcare and equity investment. Dr Joe Wong has experience as a board member of London listed, Singapore listed, Malaysia listed companies. He is currently on the board of Future NRG Sdn Bhd and other private companies. Dr Joe Wong has not held directorships in any other Australian listed companies during the past three financial years.

The above named directors held office during and since the end of the year 31 March 2017, unless otherwise stated.

2. COMPANY SECRETARY

Kim Hogg was appointed as Company Secretary on 15 June 2016. Kim Hogg graduated from University of Western Australia in 1984 and has more than 20 years of experience in company secretarial as well as corporate compliance matters. Kim is currently company secretary of several ASX-listed companies.

Deborah Ho was appointed as Company Secretary on 18 March 2015 and resigned on 15 June 2016. Deborah holds a Bachelor of Commerce from Curtin University and is an associate of Governance Institute of Australia Ltd. Deborah has experience in company secretarial matters, corporate compliance and financial accounting areas including the preparation of financial statements.

3. PRINCIPAL ACTIVITIES

The Group is involved in telecommunications. There have been no significant changes in the nature of the activities during the year.

4. REVIEW OF OPERATIONS

The information and analysis about the Group's financial performance in financial year 2017 are detailed in the Financial Performance Analysis section beginning on page 11 of this annual report.

The details on the appointment and resignation of directors in the 2017 financial year are disclosed elsewhere in the Director's Report beginning on page 20 of the 2017 annual report.

The information on corporate announcements in financial year 2017 is disclosed in the Corporate Calendar section beginning on page 16 of this annual report.

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no matters or circumstances arising during the reporting period that have significantly affected, or may significantly affect the state of affairs of the Group.

6. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group in the financial year subsequent to 31 March 2017.

7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

8. ENVIRONMENTAL LEGISLATION

The entity is not subject to any significant environmental legislation.

9. MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors attended by each Director during the year ended 31 March 2017 was:

DIRECTOR	MEETINGS HELD WHILE IN OFFICE	MEETINGS ATTENDED
Adam Sierakowski	4	3
Jefrey Ong	12	12
Stephen Hewitt-Dutton	4	4
Dato Larry Gan Nyap Liou	12	8
Dr Joe Wong (alternate to Dato' Larry Nyap Liou)	11	3
Paul Khong	11	10
Cheryl Yeoh	6	6
Wai Hong Fong	6	4

The Board of Directors approved 6 circular resolutions during the year ended 31 March 2017 which were signed by all Directors of the Company.

10. REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and other Key Management Personnel of the Group.

10.1 Key Management Personnel Disclosed in this Report

i) Jefrey Ong (Executive Director and Chief Executive Officer);

ii) Dato' Larry Gan Nyap Liou (Non-Executive Director, appointed on 18 November 2015);

iii) Paul Khong (Non-Executive Director, appointed on 22 April 2016);

iv) Cheryl Yeoh (Non-Executive Director, appointed 1 October 2016);

v) Wai Hong Fong (Non-Executive Director, appointed 1 October 2016);

vi) Dr Joe Wong (Alternate Director to Dato' Larry Gan Nyap Liou, appointed 18 November 2015, resigned 27 March 2017);

vii) Adam Sierakowski (Non-Executive Chairman, appointed 18 March 2015, resigned 23 August 2016), and

viii) Stephen Hewitt-Dutton (Non-Executive Director, appointed 21 May 2010, resigned 24 August 2016).

10.2 Remuneration Governance

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

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

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

10.3 Non-Executive Director Remuneration

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

The Directors had resolved that Non-Executive Directors' fees are $36,000 per annum for each Non-Executive Director and $48,000 per annum for the Non-Executive Chairman.

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

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

DIRECTOR'S REPORT

10. REMUNERATION REPORT - CONTINUED

10.4 Executive Remuneration

The following table discloses the contractual arrangements with the Group's Key Management Personnel.

a. Flexiroam Limited

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

b. Summary of amounts paid to key management personnel

The table below discloses the compensation of the Key Management Personnel of the Group during the year ended 31 March 2017.

YEAR ENDED 31 MARCH 2017	SHORT-TERM EMPLOYEE BENEFITS SALARY & FEES $	BONUS $	POST-EMPLOYMENT SUPERAN-NUATION $	SHARE-BASED PAYMENTS $	TOTAL $	PERCENTAGE OF TOTAL REMUNERATION FOR THE PERIOD LINKED TO PERFORMANCE %
Directors – Flexiroam Limited						
Jefrey Ong	-	-	-	-	-	-
Adam Sierakowski	19,097	-	-	-	19,097	-
Stephen Hewitt-Dutton	14,419	-	-	-	14,419	-
Dato' Larry Gan Nyap Liou	-	-	-	-	-	-
Dr Joe Wong	-	-	-	-	-	-
Paul Khong	34,000	-	-	-	34,000	-
Cheryl Yeoh	-	-	-	-	-	-
Wai Hong Fong	12,000	-	-	-	12,000	-
Directors – Flexiroam Sdn Bhd						
Jefrey Ong	91,929	-	3,776	-	95,705	-
Thian Choy Ong	18,959	-	-	-	18,959	-
Si Pin Lim	-	-	-	-	-	-
Dato' Larry Gan Nyap Liou	18,131	-	-	-	18,131	-
Directors – Flexiroam Asia Limited						
Jefrey Ong	59,946	-	-	-	59,946	-
Cheryl Yeoh	18,477	-	-	-	18,477	-
Dato' Larry Gan Nyap Liou	17,984	-	-	-	17,984	-
2017 Total	**304,942**	**-**	**3,776**	**-**	**308,718**	**-**

DIRECTOR'S REPORT

10. REMUNERATION REPORT - CONTINUED

10.4 Executive Remuneration

b. Summary of amounts paid to key management personnel

9 MONTHS ENDED 31 MARCH 2016	SHORT-TERM EMPLOYEE BENEFITS SALARY & FEES $	BONUS $	POST-EMPLOYMENT SUPERAN-NUATION $	SHARE-BASED PAYMENTS $	TOTAL $	PERCENTAGE OF TOTAL REMUNERATION FOR THE PERIOD LINKED TO PERFORMANCE %
Directors – Flexiroam Limited						
Jefrey Ong	94,927	-	-	405,000[1]	499,927	81%
Adam Sierakowski	36,000	-	-	-	36,000	-
Stephen Hewitt-Dutton	27,000	-	-	-	27,000	-
Dato' Larry Gan Nyap Liou	13,300	-	-	-	13,300	-
Dr Joe Wong (alternate to Dato' Larry Gan Nyap Liou)	-	-	-	-	-	-
Lik Kho (Gerard Kho)	-	-	-	-	-	-
Directors – Flexiroam Sdn Bhd						
Jefrey Ong	23,291	-	2,809	-	26,100	-
Thian Choy Ong	16,387	-	-	-	16,387	-
Si Pin Lim	-	-	-	-	-	-
2016 Total	**210,905**	**-**	**2,809**	**405,000**	**618,714**	**65%**

[1] On 30 March 2016, the Company's shareholders approved the issue of 2,700,000 fully paid ordinary shares to Jefrey Ong (and/or his nominees) for his contribution to the Company's achievement of a $6 million revenue milestone.

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position (31 March 2016: $nil).

No cash bonus were granted as compensation for the current financial year (31 March 2016: $nil).

c. Employee share option plan

No employee share options were granted as remuneration for the current financial year (31 March 2016: $nil).

10. REMUNERATION REPORT - CONTINUED

10.5 Equity Holdings of Key Management Personnel

a. Fully paid ordinary shares

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

31 MARCH 2017	BALANCE AT 1 APRIL 2016 NUMBER	ALLOTMENT/ PURCHASE OF SHARES NUMBER	DISPOSAL OF SHARES NUMBER	NET OTHER CHANGES NUMBER	BALANCE AT 31 MARCH 2017 NUMBER	BALANCE HELD NOMINALLY NUMBER
DIRECTORS						
Jefrey Ong	96,187,309	100,000	-	-	96,287,309	96,000,000
Adam Sierakowski	6,287,000	-	-	(6,287,000)[1]	-	-
Stephen Hewitt-Dutton	200,000	-	-	(200,000)[1]	-	-
Dato' Larry Gan Nyap Liou	3,429,990	200,000	-	-	3,629,990	3,429,990
Dr Joe Wong	6,101,379	-	(1,450,000)	(4,651,379)[1]	-	-
Paul Khong	-	-	-	260,686[2]	260,686	240,000
Cheryl Yeoh	-	-	-	-	-	-
Wai Hong Fong	-	-	-	-	-	-

[1] Directors resigned during the year ended 31 March 2017

[2] Directors were appointed during the year ended 31 March 2017

b. Share options

During the year ended 31 March 2017 no share options were granted or exercised by key management personnel.

Options held by key management personnel during the current year:

DIRECTOR/CONSULTANT	GRANT DATE	EXERCISE PRICE	NUMBER	VALUE	EXPIRY DATE
Adam Sierakowski (Held by Trident Capital Pty Ltd)[1]	8 June 2015	$0.20	1,000,000[1]	$99,978	8 June 2018

[1] Number of options vested and exercisable as at the date of resignation.

c. Performance rights

During the year ended 31 March 2017 no share performance rights were granted or exercised by key management personnel.

10. REMUNERATION REPORT - CONTINUED

10.6 Voting and Comments made at the Company's 2016 Annual General Meeting

The Company received more than 99% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration reports for the 2016 financial period. The Company did not receive any specific feedback at the AGM or throughout the period on its remuneration practices.

10.7 Loans to Key Management Personnel

There were no loans to key management personnel.

10.8 Other Transactions with Key Management Personnel

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

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

a. Flexiroam Limited

i) Company secretarial and accounting services

Adam Sierakowski is a Director of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Management Services for the year ended 31 March 2017 was $20,890 (including GST) (31 March 2016: $59,606 (including GST)). The amount payable to Trident Management Services as at 31 March 2017 was $nil (31 March 2016: $4,458 (excluding GST)).

ii) Legal services

Adam Sierakowski is a Director of Price Sierakowski Pty Ltd ("Price Sierakowski"), which provided the Company with legal services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Price Sierakowski for the year ended 31 March 2017 was $303 (including GST) (31 March 2016: $3,284 (including GST)). The amount payable to Price Sierakowski as at 31 March 2017 was $nil (31 March 2016: $nil).

iii) Recapitalisation, corporate advisory and office rental services

Adam Sierakowski is a Director of Trident Capital Pty Ltd ("Trident Capital") which provided the Company with recapitalisation services, corporate advisory services and office accommodation in the prior year and office accommodation services in the current year. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Capital for the year ended 31 March 2017 was $5,500 (including GST) (31 March 2016: $20,900 (including GST)). The amount payable to Trident Capital as at 31 March 2017 was $nil (31 March 2016: $nil).

iv) Director fees payable

Director fees for Adam Sierakowski and Stephen Hewitt-Dutton were paid to Trident Capital. The amount payable to Trident Capital as at 31 March 2017 was $nil (31 March 2016: $7,000 (excluding GST)). The amount payable to Jefrey Ong as at 31 March 2017 was $nil (31 March 2016: $10,000 (no GST applicable)). The amount payable to Dato' Larry Gan Nyap Liou as at 31 March 2017 was $nil (31 March 2016: $13,300 (no GST applicable)). The amount payable to Paul Khong as at 31 March 2017 was $3,000 (31 March 2016: $nil). The amount payable to Wai Hong Fong as at 31 March 2017 was $2,000 (31 March 2016: $nil).

10. REMUNERATION REPORT - CONTINUED

10.8 Other Transactions with Key Management Personnel

b. Flexiroam Sdn Bhd

i) Director salary and consultancy fees

The amount paid to Jefrey Ong for the year ended 31 March 2017 was $95,705 (No GST applicable) (31 March 2016: $26,100, no GST applicable). The amount payable to Jefrey Ong as at 31 March 2017 was $nil (31 March 2016: $nil) and the amount receivable from Jefrey Ong as at 31 March 2017 was $nil (31 March 2016: $3,116 (no GST applicable)).

ii) Consultancy fees

The amount paid to Dato' Larry Gan Nyap Liou for the year ended 31 March 2017 was $18,131 (No GST applicable) (31 March 2016: $nil). The amount payable to Dato' Larry Gan Nyap Liou as at 31 March 2017 was $nil (31 March 2016: $nil).

iii) Reimbursement

The amount paid to Jefrey Ong for the year ended 31 March 2017 was $21,533 (No GST applicable) (31 March 2016: $243,444 (no GST applicable)). The amount paid to Dr. Joe Wong for the year ended 31 March 2017 was $1,079 (No GST applicable) (31 March 2016: $nil).

c. Flexiroam Asia Limited

Consultancy fees payable

The amount payable to Jefrey Ong as at 31 March 2017 was $10,018 (No GST applicable) (31 March 2016: $nil). The amount payable to Dato' Larry Gan Nyap Liou as at 31 March 2017 was $3,005 (No GST applicable) (31 March 2016: $nil). The amount payable to Cheryl Yeoh as at 31 March 2017 was $3,044 (No GST applicable) (31 March 2016: $nil).

(This is the end of the Audited Remuneration Report.)

11. INDEMNIFYING OFFICERS OR AUDITORS

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

12. INSURANCE

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

13. PROCEEDINGS ON BEHALF OF COMPANY

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

14. INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY AND RELATED BODIES CORPORATE

The following relevant interests in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report.

DIRECTORS	FULLY PAID ORDINARY SHARES NUMBER	SHARE OPTIONS NUMBER	PERFORMANCE RIGHTS NUMBER
Jefrey Ong	96,287,309	-	-
Adam Sierakowski	-	-	-
Stephen Hewitt-Dutton	-	-	-
Dato' Larry Gan Nyap Liou	3,629,990	-	-
Dr Joe Wong	-	-	-
Paul Khong	260,686	-	-
Cheryl Yeoh	-	-	-
Wai Hong Fong	-	-	-

15. SHARE OPTIONS

No options have been granted or exercised during and since the end of the financial year.

At the date of this report, unissued ordinary shares of the Company under option are:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS
8 June 2015	8 June 2018	$0.20	3,000,000

These options do not entitle the holder to participate in any share issue of the Company or any other entity.

DIRECTOR'S REPORT

16. NON-AUDIT SERVICES

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

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

- All non-audit services have been reviewed by the Board fulfilling the role of an audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and

- None of the services undermine the general principles relating to auditor's independence as set out in APES 110 Code of Ethic for Professional Accountants.

17. DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends.

18. AUDITOR'S INDEPENDENCE DECLARATION

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

Jefrey Ong

Chief Executive Officer
Signed on this 29th day in June 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Flexiroam Limited for the year ended 31 March 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia
29 June 2017

M R W Ohm
Partner

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
Revenue	7	2,037,336	6,055,037
Cost of sales	8	(1,362,304)	(445,737)
Gross profit		675,032	5,609,300
Government grant		-	18,210
Interest received		91,964	128,046
Foreign exchange gains		445,140	384,200
Other income		14,881	4,915
Administration and operating expenses	9	(778,303)	(533,621)
Marketing expenses		(2,046,388)	(5,957,001)
Research and development		(641,820)	(106,449)
Staff costs		(843,219)	(726,315)
Depreciation and amortisation		(1,985,672)	(1,610,709)
Allowance for doubtful debtors		(33,252)	(122,292)
Finance expenses		(37,577)	(6,207)
Share-based payment – employees		-	(544,440)
Share-based payment - key management		-	(405,000)
Impairment of available-for-sale asset		-	(3,400)
Impairment of intangible assets		-	(535,504)
Impairment of development expenditure		-	(121,998)
Loss before income tax		(5,139,214)	(4,528,265)
Income tax expense	21	3,869	(2,859)
Loss for the year/period		(5,135,345)	(4,531,124)
Other comprehensive loss			
Items that may be re-classified to profit or loss:			
Foreign exchange translation		(2,580,846)	(1,258,125)
Revaluation of available-for-sale assets		72,636	-
Total other comprehensive loss, net of tax		(2,508,210)	(1,258,125)
Total comprehensive loss for the year/period		**(7,643,555)**	**(5,789,249)**
Loss per share (basic and diluted)	24	$(0.03)	$(0.02)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	NOTES	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
CURRENT ASSETS			
Cash and cash equivalents	10	3,145,770	6,709,288
Trade and other receivables	11	68,537	97,350
Available-for-sale financial assets	13	82,836	10,200
Other assets	14	75,852	6,207
Total current assets		**3,372,995**	**6,823,045**
NON-CURRENT ASSETS			
Intellectual property	15	14,631,983	18,494,452
Plant and equipment	16	513,590	304,231
Total non-current assets		**15,145,573**	**18,798,683**
Total Assets		**18,518,568**	**25,621,728**
CURRENT LIABILITIES			
Trade and other payables	17	276,992	101,716
Deferred revenue	18	389,959	754
Borrowings	19	12,666	13,311
Total current liabilities		**679,617**	**115,781**
NON-CURRENT LIABILITIES			
Borrowings	19	36,663	55,743
Deferred tax	20	-	4,361
Total non-current liabilities		**36,663**	**60,104**
Total Liabilities		**716,280**	**175,885**
Net Assets		**17,802,288**	**25,445,843**
EQUITY			
Issued capital	22	36,268,139	35,863,139
Reserves	23	(3,869,297)	(956,087)
Accumulated losses		(14,596,554)	(9,461,209)
Total equity		**17,802,288**	**25,445,843**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	ISSUED CAPITAL $	OPTION AND PERFORMANCE RIGHTS RESERVE $	FOREX TRANSLATION RESERVE $	AVAILABLE-FOR-SALE RESERVE $	ACCUMULATED LOSSES $	TOTAL $
Balance at 1 July 2015	**35,318,699**	**299,993**	**(402,955)**	**-**	**(4,930,085)**	**30,285,652**
Loss for the period	-	-	-	-	(4,531,124)	(4,531,124)
Other comprehensive loss for the period	-	-	(1,258,125)	-	-	(1,258,125)
Total comprehensive loss for the period	**-**	**-**	**(1,258,125)**	**-**	**(4,531,124)**	**(5,789,249)**
Share-based payments	544,440	405,000	-	-	-	949,440
Balance at 31 March 2016	**35,863,139**	**704,993**	**(1,661,080)**	**-**	**(9,461,209)**	**25,445,843**
Balance at 1 April 2016	**35,863,139**	**704,993**	**(1,661,080)**	**-**	**(9,461,209)**	**25,445,843**
Loss for the year	-	-	-	-	(5,135,345)	(5,135,345)
Other comprehensive loss for the year	-	-	(2,580,846)	72,636	-	(2,508,210)
Total comprehensive loss for the year	**-**	**-**	**(2,580,846)**	**72,636**	**(5,135,345)**	**(7,643,555)**
Share-based payments	405,000	(405,000)	-	-	-	-
Balance at 31 March 2017	**36,268,139**	**299,993**	**(4,241,926)**	**72,636**	**(14,596,554)**	**17,802,288**

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
Cash flows from operating activities			
Receipts from customers		2,438,762	4,013,206
Payments to suppliers and employees		(5,617,559)	(5,740,107)
Interest paid		(37,577)	(6,752)
Interest received		91,964	135,118
Net cash flows (used in)/provided by operating activities	12	(3,124,410)	(1,598,535)
Cash flows from investing activities			
Purchase of plant and equipment		(335,616)	(230,147)
Proceeds from convertible note receivable		-	50,000
Net cash flows (used in)/provided by investing activities		(335,616)	(180,147)
Cash flows from financing activities			
Government grant		-	18,210
Loan receivable – additional loan		-	(77,123)
Repayment of advances		(12,485)	-
Borrowings – proceeds		-	73,310
Borrowings - payments		(12,678)	(4,256)
Net cash flows (used in)/provided by financing activities		(25,163)	10,141
Net (decrease)/increase in cash and cash equivalents		(3,485,189)	(1,768,541)
Cash and cash equivalents at the beginning of the year		**6,709,288**	**8,623,528**
Foreign exchange fluctuations on opening cash balances		(78,329)	(145,699)
Cash and cash equivalents at the end of the year		**3,145,770**	**6,709,288**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

These financial statements and notes of Flexiroam Limited ("the Company") and its subsidiary Flexiroam Sdn Bhd and Flexiroam Asia Limited (collectively "the Group") comprise the consolidated financial statements for the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity primarily and is domiciled in Australia. The Group is involved in the telecommunications industry.

2. RECLASSIFICATION

A reclassification has been made to the prior year's financial statements in order to conform to the current year's presentation. Specifically, a total of $5,727,669 which was included in the cost of sales has been reclassified to be included in marketing expenses. The reclassification had no impact on results of operations previously reported. Please see Note 8 for more details.

3. ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

3.1 Standards and Interpretations applicable to 31 March 2017

In the year ended 31 March 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

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

3.2 Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 March 2017. As a result of this review the Directors have determined that the following Standards and Interpretations will have an effect on the Company in the future reporting periods:

a. AASB 15 "Revenue from Contracts with Customers"

AASB 15 "Revenue from Contacts with Customers" is a new Standard introduced by AASB to replace AASB 118. The new Standard is aimed at improving financial reporting of revenue and comparability to provide better clarity on revenue recognition on areas where existing requirements unintentionally created diversity in practice. AASB 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognized as separate assets when specified criteria are met.

The core principle in AASB 15 is that an entity recognises revenue to depict the transfer of promised goods and/or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and/or services. In other words, revenue is recognised when a customer obtains control of a good and/or services and thus has the ability to direct the use and obtain benefits from the goods and/or services.

To achieve this objective, AASB 15 outlined the following five-step process to be applied before revenue can be recognized:

- Identify contracts with customer;
- identify the separate performance obligations;
- determine the transaction price of the contract;
- allocate the transaction price to each of the separate performance obligations; and
- recognise the revenue as each performance obligation is satisfied.

When applying AASB 15 for the first time, an entity shall apply the Standard in full for the current period. In respect of prior periods, the transition guidance grants entities an option to either apply AASB 15 in full to prior periods or to retain prior-period figures as reported under the previous standards, recognizing the cumulative effect of applying AASB 15 to all contracts that had not yet been completed at the beginning of the reporting period as an adjustment to the opening balance of equity at the date of first-time adoption.

The Group will adopt the new Standard from 1 April 2018 but have not decided on the transition method to be adopted. The Group will consider factors such as materiality of the impact on prior reporting periods, practicalities and costs of data gathering, in arriving at the decision.

3. ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS - CONTINUED

3.2 Standards and Interpretations in issue not yet adopted

a. AASB 15 “Revenue from Contracts with Customers”

Impact of AASB 15

The Group is still in the process of quantifying the implications of the new Standard, we expect however the following indicative impacts:

- The key provision of the AASB 15 with respect to revenue recognition for telecommunication businesses is that any bundled goods and services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.

  The current practice of telecommunication companies is to recognise revenue from bundled goods and services based on values allocated to the individual elements of the bundled goods and services in accordance to the earning process of each element. Under the new Standard, however, revenue will be allocated to these individual elements within the bundled goods and services based on their relative standalone selling prices.

  The effect of this is that additional revenue will be allocated to goods with reference to the assets relatively standalone value irrespective of contract pricing, leading thus to acceleration of revenue for goods.

  Correspondingly, the service revenue recorded over the duration of the performance of the contract will be lower. The difference between the revenue and the customer charge will lead to the recognition of what is known as a contract asset, i.e a receivable arising from the customer contract that has not yet legally come into existence, in the balance sheets with increase in total assets on first time adoption.

  The nature of the Group’s business is such that it does not involve the bundling of goods and services. The management therefore do not expect the new Standard to have a material impact on the Group’s revenue recognition.

- Under AASB 15, certain incremental costs incurred in acquiring a contract with customer will be deferred on the balance sheet and amortised as revenue is recognised under the related contract. Such deferred costs are likely to relate to the provision of deliverables to customers that do not qualify as performance obligations and for which revenue is not recognised; currently such costs are generally expensed as incurred.

- Certain costs incurred in fulfilling customer contracts will be deferred on the balance sheet under AASB 15 and recognised as related revenue is recognised under the contract. Such deferred costs are likely to relate to the provision of deliverables to customers that do not qualify as performance obligations and for which revenue is not recognised; currently such costs are generally expensed as incurred.

b. AASB 9 “Financial Instruments”

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. The Group will adopt the new Standard from 1 April 2018 and when adopted it is not expected to have a material impact on the Group’s accounting for financial assets and financial liabilities.

c. AASB 16 “Leases”

This standard issued in February 2016 is applicable to annual reporting periods beginning on 1 April 2018. The new standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases, unless the underlying asset is of short-term and low-value. The new standard when adopted is not expected to have a material impact on the Group’s financial statements.

Other than the above, there are no other material impact of the new and revised Standards and Interpretations on the Group and therefore no change is necessary to Group accounting policies

4. GOING CONCERN

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business. The entity incurred an operating loss of $5,135,345 for the year ended 31 March 2017 (31 March 2016 loss: $4,531,124) and a net cash outflow from operating activities amounting to $3,124,410 (31 March 2016 outflow: $1,598,535).

The Directors are satisfied that the going concern basis of preparation is appropriate. The Directors believe there are sufficient funds to meet the Group's working capital requirements and as at the date of this report, the Directors believe it can meet all liabilities as and when they fall due.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 Basis of Preparation and Statement of Compliance

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

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

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

5.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.2 Basis of Consolidation

Changes in the group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

- The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.3 Significant Accounting Policies Adopted

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

a. Segment reporting

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

b. Foreign currency translation

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

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

c. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Group recognise revenue when the amount of revenue can be reliably measured.

Telecommunication revenue

- Revenues from sales of vouchers to corporate customers where there is an exchange for dissimilar goods or services are deferred at the beginning of the vouchers validity period and recognised evenly over the vouchers validity period;
- revenues from sales of vouchers to corporate customers are recognised upon utilisation of data or upon expiry of the validity period of the vouchers;
- revenues from sales of X-memberships are recognised when the users activate the X-memberships that they have purchased;
- revenues from sales of voice and data roaming plans are recognised based upon customer usage when services are rendered; and
- revenues from sales of credit-top-up for voice and data roaming plans are recognised only after the customers have converted the credit-top-up and utilised the voice and data roaming plans that they have purchased with their credit-top-up.

When goods or services are exchanged for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. The revenue is measured as the fair value of the goods or services received, adjusted by the amounts of any cash or cash equivalents transferred.

When the fair value of the goods or services received cannot be measured reliably, the revenue is measured as the fair value of the goods or services given up, adjusted by the amount of any cash and cash equivalents transferred.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

d. Cash and cash equivalents

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

e. Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 90 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company.

The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

e. Trade and other receivables

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

f. Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are then classified and measured as set out below.

Classification and subsequent measurement

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

Amortised cost

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

Effective interest rate method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Derecognition

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

Fair value

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

Impairment of financial assets

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

f. Financial instruments

Impairment of financial assets

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

g. Plant & equipment

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	5 years
X Microchip	5 years
Beamer	10 years

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

Impairment

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

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

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

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

For plant and equipment, impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income in the cost of sales line item.

Derecognition and disposal

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

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

h. Trade and other payables

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

i. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

i. Borrowings

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

j. Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives.

The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

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

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

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

Intangible assets acquired in a business combination

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

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

Intangible assets acquired in a business combination are amortised over a 10-year period.

k. Goods and services tax

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

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. for receivables and payables, which are recognised inclusive of GST. The net amount of GST recoverable from the taxation authority is included as part of receivables.

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

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

l. Income tax

Current tax

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

Deferred tax

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

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

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

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

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

Current and deferred tax for the period

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

m. Development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

m. Development expenditure

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

The intangible assets arising from development expenditure are amortised over a 5-year period.

n. Issued capital

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

o. Share-based payment transactions

Equity settled transactions

The Group provides benefits to employees of Flexiroam Sdn Bhd in the form of share-based payments, whereby employees render services in exchange for shares (equity-settled transactions).

There is currently one plan in place to provide these benefits which is the Performance Rights Plan.

The cost of these equity-settled transactions with employees of Flexiroam Sdn Bhd is measured by reference to the market price of the shares traded on ASX at the date at which they are issued.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Flexiroam Limited (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

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

i. the extent to which the vesting period has expired; and

ii. the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The consolidated statement of profit or loss and other comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

p. Parent entity financial information

The financial information for the parent entity, Flexiroam Limited, disclosed in Note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

p. Parent entity financial information

Share-based payments

The grant by the Company of shares over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking.

q. Employee benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in year which the associated services are rendered by employees of the Company.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund (EPF). Such contributions are recognised as an expense in the consolidated statement of profit or loss and other comprehensive income as incurred.

r. Earnings/loss per share

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

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

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

s. Critical accounting judgements and key sources of estimation uncertainty

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

Impairment of intellectual property

The Group has intellectual property with a carrying value of $14,631,983 as at 31 March 2017. The Group assesses whether the intellectual property has suffered any impairment whenever indicators of impairment are present. This assessment includes forecasting growth and the use of cash flow projections. Further details including the assumptions used are disclosed in Note 15.

Recovery of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences or tax losses. The Company exercise judgment in determining whether deferred tax assets, particularly in relation to tax losses, are probable of recovery.

Impairment of available-for-sale financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5.3 Significant Accounting Policies Adopted

s. Critical accounting judgements and key sources of estimation uncertainty

Share-based payment transactions

The Company measures the cost of equity-settled transactions with directors and employees by reference to the fair-value of the equity instruments at the date at which they are granted. The fair value is determined either internally by management using the Black-Scholes valuation model, or market valuation, taking into account the terms and conditions upon which the instruments were granted.

6. FINANCIAL RISK MANAGEMENT

a. Categories of financial instrument

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Financial assets		
Cash and cash equivalents	3,145,770	6,709,289
Trade and other receivables	68,537	97,350
Available-for-sale financial assets	82,836	10,200
Financial liabilities		
Trade and other payables	276,992	101,716
Borrowings	49,330	69,054

b. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2016.

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

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

c. Financial risk management objective and policies

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

d. Market risk

Foreign currency risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The functional currency of the Company and subsidiary are measured using the currency of the primary economic environment in which the Company and subsidiary operates; being Australian Dollars, Malaysian Ringgit, and US Dollars respectively. However, as the majority of the Company's shareholder base is Australian, these financial statements are presented in Australian Dollars.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCIAL RISK MANAGEMENT - CONTINUED

Foreign currency risk management

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

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

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Financial assets		
Cash and cash equivalents	3,112,413	6,399,748
Trade and other receivables	65,706	94,431
Available-for-sale financial assets	82,836	10,200
Financial liabilities		
Trade and other payables	86,279	30,953
Borrowings	49,330	69,054

Foreign currency sensitivity analysis

The Group is exposed to Malaysian Ringgit (RM) and US Dollars (USD) currency fluctuations.

The following table details the Group's sensitivity to a 0.5% increase and decrease in the Australian Dollar (AUD) against the Malaysian Ringgit (RM) and US Dollars (USD). 0.5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.5% change in foreign currency rates.

A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

	$	RM & USD DOWN 0.5% AUD UP 0.5% $	(LOSS) $	RM & USD UP 0.5% AUD DOWN 0.5% $	GAIN $
31 MARCH 2017					
Financial assets					
Cash and cash equivalents	3,112,413	3,096,851	(15,562)	3,127,975	15,562
Trade and other receivables	65,706	65,377	(329)	66,035	329
Financial liabilities					
Trade and other payables	86,279	85,848	(431)	86,710	431
Borrowings	49,330	49,083	(247)	49,577	247
31 MARCH 2016					
Financial assets					
Cash and cash equivalents	6,399,748	6,367,749	(31,999)	6,431,747	31,999
Trade and other receivables	94,431	93,959	(472)	94,903	472
Financial liabilities					
Trade and other payables	30,953	30,798	(155)	31,108	155
Borrowings	69,054	68,709	(345)	69,399	345

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. FINANCIAL RISK MANAGEMENT - CONTINUED

Credit risk

Credit risk is the risk of default by clients and counterparties. Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. It is the Company's policy to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group's exposure to credit risk is minimal. The Group has no material credit risk exposure as at 31 March 2017.

d. Market risk

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

	NOTES	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Cash and cash equivalents			
AA rated	10	3,145,770	6,709,289
		3,145,770	**6,709,289**

Interest rate risk

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

	NOTES	EFFECTIVE INTEREST RATE	FLOATING INTEREST RATE $	1 YEAR OR LESS $	1 TO 5 YEARS $	NON-INTEREST BEARING $	TOTAL $
31 MARCH 2017							
Financial assets							
Cash assets	10	0.6%-3.20%	-	1,650,119	-	1,495,651	3,145,770
Trade and other receivables	11	-	-	-	-	68,537	68,537
Available-for-sale	14	-	-	-	-	82,836	82,836
			-	**1,650,119**	**-**	**1,647,024**	**3,297,143**
Financial liabilities							
Trade and other payables	17	-	-	-	-	276,992	276,992
Borrowings	19	4.4%	-	12,666	36,663	-	49,329
			-	**12,666**	**36,663**	**276,992**	**326,321**
31 MARCH 2016							
Financial assets							
Cash assets	10	0.6%-3.20%	-	5,366,957	-	1,342,332	6,709,289
Trade and other receivables	11	-	-	-	-	97,350	97,350
Available-for-sale	14	-	-	-	-	10,200	10,200
			-	**5,366,957**	**-**	**1,449,882**	**6,816,839**
Financial liabilities							
Trade and other payables	17	-	-	-	-	101,716	101,716
Borrowings	19	3.6%	-	13,311	55,743	-	69,054
			-	**13,311**	**55,743**	**101,716**	**170,770**

6. FINANCIAL RISK MANAGEMENT - CONTINUED

d. Market risk

Interest rate risk

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

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net revenue would increase by $8,251 and decrease by $8,251 respectively (31 March 2016: $26,835).

Liquidity and cash flow risk

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

Fair values

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analyses.

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

7. REVENUE

	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
Corporate sales[1]	1,625,093	5,727,669
Consumer sales[2]	412,243	327,368
	2,037,336	**6,055,037**

[1] Corporate sales consist of business to business transactions involving local and foreign travel agencies.
[2] Consumer sales consist of business to consumer transactions involving local and foreign travellers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. COST OF SALES

	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $	PERIOD ENDED 31 MARCH 2016 $
		(as reclassified)	(as reported)
Network costs	1,240,751	330,866	330,866
Marketing	-	-	5,727,669[1]
Material costs	49,203	68,443	68,443
Commissions	72,350	31,002	31,002
Development expenditure	-	15,426	15,426
	1,362,304	**445,737**	**6,173,406**

[1] The amount of $5,727,669 which was related to costs of acquiring subscribers had been reclassified as marketing expenses to be reflected as an element of indirect costs.

9. ADMINISTRATION AND OPERATING EXPENSES

	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
Office equipment and general maintenance	8,656	8,542
Others costs	33,130	43,836
Professional fees	416,155	169,000
Rental	197,001	178,663
Software and stationery	32,582	40,745
Talent and recruitment	21,261	12,038
Travelling and transportation	44,623	66,425
Utilities	24,895	14,372
	778,303	**533,621**

10. CASH AND CASH EQUIVALENTS

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Cash at bank	3,145,770	6,709,289
	3,145,770	**6,709,289**

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

11. TRADE AND OTHER RECEIVABLES

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Trade receivables	20,921	51,510
GST claims receivable	26,539	20,171
Other receivables	21,077	25,669
	68,537	**97,350**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. CASH FLOW INFORMATION

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

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Loss for the period	(5,135,345)	(4,531,124)
Depreciation and amortisation	1,985,672	1,610,709
Forex movements	(494,025)	(384,200)
Share-based payment – employees	-	544,440
Share-based payment – key management	-	405,000
Government grant	-	(18,210)
Interest earned on convertible notes	-	7,072
Impairment of available-for-sale financial asset	-	3,400
Impairment of intangible assets	-	535,504
Impairment of development expenditure	-	121,998
Decrease in trade and other receivables	28,813	253,911
(Increase)/Decrease in other assets	(69,645)	4,207
Increase in inventory	-	5,437
Increase/(Decrease) in trade and other payables	175,276	(160,292)
Increase in deferred revenue	389,205	754
Increase/(Decrease) in deferred tax	(4,361)	2,859
Net cash from operating activities	**(3,124,410)**	**(1,598,535)**

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Opening balance	10,200	13,600
Impairment	-	(3,400)
Revaluation	72,636	-
Closing balance	**82,836**	**10,200**

14. OTHER ASSETS

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Prepayments	**75,852**	**6,207**
Opening balance	6,207	-
Net additions	69,645	6,207
Closing balance	**75,852**	**6,207**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. INTELLECTUAL PROPERTY

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Carrying value opening balance	18,494,452	20,647,648
Amortisation	(1,895,854)	(1,452,432)
Foreign exchange translation effects	(1,966,615)	(700,764)
Carrying value closing balance	**14,631,983**	**18,494,452**

The intellectual property asset is known as Flexiroam Malaysia, an international roaming service for travellers who travel overseas to gain access to high speed cellular data without having to change SIM card. It operates on a sophisticated integrated network of services, forming a unified system now known as Flexiroam X.

Intellectual property is an intangible asset with a finite life of 10 years and is stated at cost. As at 31 March 2017, Flexiroam Malaysia holds 1 patent in Malaysia and 1 patent in India.

Due to sustained reported operating losses which constitute an indicator of impairment, management have undertaken impairment test in intellectual property. The recoverable amount, which is based upon five-year cash flow forecast at a discount rate of 15% per annum, is in excess of the carrying value of the assets. No allowance for impairment losses on assets is therefore required.

16. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2017, the Group's property, plant and equipment consists of the following:

	FURNITURE & FITTINGS $	OFFICE EQUIPMENT $	COMPUTER $	RENOVATION $	MOTOR VEHICLE[1] $	BEAMER[2] $	X MICROCHIP[3] $	TOTAL $
AT COST								
As at 1 July 2015	1,308	18,881	6,127	42,326	-	-	-	68,642
Additions	9,194	10,068	6,746	119,982	99,258	44,392	-	289,640
Foreign exchange effects	(333)	(917)	(408)	(5,138)	(3,142)	(1,405)	-	(11,343)
As at 31 March 2016	**10,169**	**28,032**	**12,465**	**157,170**	**96,116**	**42,987**	**-**	**346,939**
Additions	-	8,610	14,368	11,422	-	-	301,215	335,615
Foreign exchange effects	(1,149)	(3,690)	(2,282)	(18,447)	(10,856)	(4,855)	(4,428)	(45,707)
As at 31 March 2017	**9,020**	**32,952**	**24,551**	**150,145**	**85,260**	**38,132**	**296,787**	**636,847**
ACCUMULATED DEPRECIATION								
As at 1 July 2015	358	5,751	710	8,886	-	-	-	15,705
Depreciation expense	1,033	3,364	1,015	13,584	7,922	354	-	27,272
Foreign exchange effects	6	(224)	(11)	(131)	87	4	-	(269)
As at 31 March 2016	**1,397**	**8,891**	**1,714**	**22,339**	**8,009**	**358**	**-**	**42,708**
Depreciation expense	1,924	6,650	3,880	30,645	18,201	4,070	24,448	89,818
Foreign exchange effects	(279)	(1,424)	(439)	(4,457)	(2,053)	(297)	(320)	(9,269)
As at 31 March 2017	**3,042**	**14,117**	**5,155**	**48,527**	**24,157**	**4,131**	**24,128**	**123,257**
CARRYING AMOUNT								
As at 31 March 2016	**8,772**	**19,141**	**10,751**	**134,831**	**88,107**	**42,629**	**-**	**304,231**
As at 31 March 2017	**5,978**	**18,835**	**19,396**	**101,618**	**61,103**	**34,001**	**272,659**	**513,590**

[1] Motor vehicle is used as security for the borrowings.
[2] Beamer is a wireless router device which acts as a WiFi hotspot that can be connected to a cellular network and provide internet access to other devices.
[3] X Microchip is an advanced SIM card which when applied to a user's existing SIM card, provides user affordable data roaming in over 100 countries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. TRADE AND OTHER PAYABLES

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Trade payables	18,466	8,839
Accruals	258,526	92,877
	276,992	**101,716**

Trade payables are non-interest bearing and are normally settled within 30 to 90 days.

18. DEFERRED REVENUE

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Corporate sales	153,108	-
Retail sales	236,851	754
	389,959	**754**
Reconciliation		
Opening balance	754	-
Net additions	389,293	754
Foreign exchange translation effects	(88)	-
Closing balance	**389,959**	**754**

Advance billing to customer that give rise to provisions for unearned revenue in respect of services which have not been rendered as at the end of the reporting period.

19. BORROWINGS

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Minimum hire purchase payments:		
Within 12 months	14,561	16,723
After 1 year to 5 years	38,829	61,317
	53,390	78,040
Less: Future interest charges	(4,061)	(8,986)
Present value of hire purchase	**49,329**	**69,054**
Repayable as follows:		
Current liabilities - within 1 year	12,666	13,311
Long term liabilities - after 1 year to 5 years	36,664	55,743
	49,329	**69,054**

Borrowings are secured by motor vehicles with a carrying value of $61,103 (31 March 2016: $88,107), as disclosed in Note 16.

20. DEFERRED TAX

Deferred tax liabilities

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Opening balance	4,361	1,502
Foreign exchange	(492)	-
Transferred from income statement	(3,869)	2,859
Closing balance	**-**	**4,361**

The Group has tax losses arising in Australia of $1,113,523 (31 March 2016: $645,380) that are available indefinitely for offset against future taxable profits.

21. INCOME TAX

	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
Current year tax		
Income tax	-	-
Deferred tax		
Current year deferred tax	(3,869)	2,859
Numerical reconciliation between tax expense and pre-tax net profit		
Loss before income tax	(5,139,214)	(4,528,265)
Income tax using the domestic corporation tax rate of 30%	(1,541,764)	(1,358,480)
Overseas tax rates adjustment*	360,649	324,399
Increase/(decrease) in income tax expense due to:		
Non-deductible expenses:		
• Other	505,345	651,657
Add/(deduct) adjustments due to:		
• Unused tax losses not recognised as deferred tax assets	675,770	385,283
• Reversal of recognised deferred tax	(3,869)	-
Income tax expense/(benefit)	**(3,869)**	**2,859**

*The Malaysia and Hong Kong applicable tax rates for the current financial year are 24% and 16.5%, respectively.

22. ISSUED CAPITAL

	NUMBER	$
Ordinary shares issued (net of share issue costs)	**193,689,501**	**36,268,139**
Reconciliation		
Balance at 1 July 2015	188,197,501	35,318,699
Share issue – 29 January 2016[1]	2,792,000	544,440
Balance at 31 March 2016	**190,989,501**	**35,863,139**
Balance at 1 April 2016	190,989,501	35,863,139
Share issue – 5 April 2016[2]	2,700,000	405,000
Balance at 31 March 2017	**193,689,501**	**36,268,139**

[1] On 29 January 2016, in accordance with the Company's Performance Rights Plan, 2,792,000 fully paid ordinary shares were issued to employees of Flexiroam Sdn Bhd following the achievement of a revenue milestone.

[2] On 5 April 2016, following Shareholders approval obtained on 30 March 2016, 2,700,000 fully paid ordinary shares were issued to Jefrey Ong (and/or his nominees) for his contribution to the Company's achievement of a $6 million revenue milestone.

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

Dividends

No dividends were paid or proposed during the year ended 31 March 2017 (31 March 2016: $nil).

23. RESERVES

Foreign currency translation reserve

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

Option and performance rights reserve

This reserve is used to record the value of equity benefits of options and performance rights provided to employees and directors.

Available-for-sale reserve

This reserve is used to record the revaluation of available-for-sale financial assets during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

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

	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
Loss attributable to ordinary equity holders	(5,135,345)	(4,531,124)
	NUMBER	NUMBER
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	193,659,912	188,829,267
	$/SHARE	$/SHARE
Loss per share (basic and diluted)	**(0.03)**	**(0.02)**

The calculation does not include shares under option that could potentially dilute basic earnings per share in the future as the options are not in the money.

25. SHARE-BASED-PAYMENTS

a. Options

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

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

b. Performance rights

The Company's Replacement Prospectus dated 15 April 2015 notes that Flexiroam Limited has the opportunity to issue up to 5% of the total issued capital to high calibre employees to reward eligible persons for their performance and participation in the Company's future growth, in accordance with the Company's Performance Rights Plan.

In January 2016, the Group achieved the first $6 million revenue milestone. A 2,700,000 fully paid ordinary shares were issued on 5 April 2016, following Shareholder approval obtained on 30 March 2016. In accordance with AASB 2, the Company has accounted for the shares issued on 5 April 2016 as a share-based payment during the prior period ended 31 March 2016 with the grant date being 30 March 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. RELATED PARTY TRANSACTIONS

a. Key management personnel

Compensation of key management personnel

	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
Short-term employee benefits	304,942	210,905
Bonus	-	-
Post-employment superannuation	3,776	2,809
Share-based payments	-	405,000
	308,718	**618,714**

b. Subsidiaries

The consolidated financial statements include the financial statements of Flexiroam Limited:

NAME	COUNTRY OF INCORPORATION	% EQUITY INTEREST 2017	% EQUITY INTEREST 2016
Super Bonus Profit Sdn Bhd	Malaysia	100%	100%
Flexiroam Sdn Bhd	Malaysia	100%	100%
Flexiroam Asia Limited	Hong Kong	100%	100%

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

c. Transactions with related parties

i) Flexiroam Limited

Company secretarial and accounting services

Adam Sierakowski is a Director of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Management Services for the year ended 31 March 2017 was $20,890 (including GST) (31 March 2016: $59,606 (including GST)). The amount payable to Trident Management Services as at 31 March 2017 was $nil (31 March 2016: $4,458 (excluding GST)).

Legal services

Adam Sierakowski is a Director of Price Sierakowski Pty Ltd ("Price Sierakowski"), which provided the Company with legal services. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Price Sierakowski for the year ended 31 March 2017 was $303 (including GST) (31 March 2016: $3,284 (including GST)). The amount payable to Price Sierakowski as at 31 March 2017 was $nil (31 March 2016: $nil).

26. RELATED PARTY TRANSACTIONS – CONTINUED

c. Transactions with related parties

Recapitalisation, corporate advisory and office rental services

Adam Sierakowski is a Director of Trident Capital Pty Ltd ("Trident Capital") which provided the Company with recapitalisation services, corporate advisory services and office accommodation in the prior year and office accommodation services in the current year. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Capital for the year ended 31 March 2017 was $5,500 (including GST) (31 March 2016: $20,900 (including GST)). The amount payable to Trident Capital as at 31 March 2017 was $nil (31 March 2016: $nil).

Director fees payable

Director fees for Adam Sierakowski and Stephen Hewitt-Dutton were paid to Trident Capital. The amount payable to Trident Capital as at 31 March 2017 was $nil (31 March 2016: $7,000 (excluding GST)). The amount payable to Jefrey Ong as at 31 March 2017 was $nil (31 March 2016: $10,000 (no GST applicable)). The amount payable to Dato' Larry Gan Nyap Liou as at 31 March 2017 was $nil (31 March 2016: $13,300 (no GST applicable)). The amount payable to Paul Khong as at 31 March 2017 was $3,000 (31 March 2016: $nil). The amount payable to Wai Hong Fong as at 31 March 2017 was $2,000 (31 March 2016: $nil).

ii) Flexiroam Sdn Bhd

Director salary and consultancy fees

The amount paid to Jefrey Ong for the year ended 31 March 2017 was $95,705 (no GST applicable) (31 March 2016: $26,100, no GST applicable). The amount payable to Jefrey Ong as at 31 March 2017 was $nil (31 March 2016: $nil) and the amount receivable from Jefrey Ong as at 31 March 2017 was $nil (31 March 2016: $3,116 (no GST applicable)).

Consultancy fees

The amount paid to Dato' Larry Gan Nyap Liou for the year ended 31 March 2017 was $18,131 (no GST applicable) (31 March 2016: $nil). The amount payable to Dato' Larry Gan Nyap Liou as at 31 March 2017 was $nil (31 March 2016: $nil).

Reimbursement

The amount paid to Jefrey Ong for the year ended 31 March 2017 was $21,533 (no GST applicable) (31 March 2016: $243,444 (no GST applicable)). The amount paid to Dr. Joe Wong for the year ended 31 March 2017 was $1,079 (no GST applicable) (31 March 2016: $nil).

iii) Flexiroam Asia Limited

Consultancy fees payable

The amount payable to Jefrey Ong as at 31 March 2017 was $10,018 (no GST applicable) (31 March 2016: $nil). The amount payable to Dato' Larry Gan Nyap Liou as at 31 March 2017 was $3,005 (no GST applicable) (31 March 2016: $nil). The amount payable to Cheryl Yeoh as at 31 March 2017 was $3,044 (no GST applicable) (31 March 2016: $nil).

27. LEGAL PARENT ENTITY INFORMATION

The following detailed information is related to the parent entity, Flexiroam Limited, as at 31 March 2017.

	AS AT 31 MARCH 2017 $	AS AT 31 MARCH 2016 $
Current assets	119,024	328,867
Non-current assets	14,472,047	14,510,047
Total assets	**14,591,071**	**14,838,914**
Current liabilities	38,315	70,763
Non-current liabilities	-	-
Total liabilities	**38,315**	**70,763**
Contributed equity	17,385,382	16,980,382
Accumulated losses	(3,205,255)	(2,917,224)
Reserves	372,629	704,993
Total equity	**14,552,756**	**14,768,151**
Loss for the year	(288,030)	(1,284,277)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	**(288,030)**	**(1,284,277)**

28. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group or the state of affairs of the Group in the financial period subsequent to 31 March 2017.

29. COMMITMENTS AND CONTINGENCIES

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

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

b. any contingent liability of the Company which has arisen since the end of the financial year

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. AUDIT AND OTHER SERVICES

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

	YEAR ENDED 31 MARCH 2017 $	PERIOD ENDED 31 MARCH 2016 $
HLB Mann Judd		
Audit and other assurance services		
Audit and review of financial statements	78,500	26,000
Total remuneration for audit and other assurance services	78,500	26,000
Non-audit services		
Tax advisory services	3,750	-
Total non-audit services	3,750	-
Component auditors		
Audit and other assurance services		
Audit and review of financial statements	17,082	2,499
Total remuneration for audit and other assurance services	17,082	2,499
Non-audit services		
Tax and secretarial services	421	533
Total non-audit services	421	533

31. SEGMENT REPORTING

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

As at 31 March 2017, the Group operated in one business segment being the telecommunication business segment and five geographical market segments, namely the telecommunications market in Malaysia, Singapore, Indonesia, Australia and other countries where each country have contributed less than 10% to total sales for the current period.

During the current year, the Chief Decision Maker has been reviewing operations and making decisions based on the supply and provision of telecommunications as a single operating unit. Internal management accounts are consequently prepared on this basis.

31. SEGMENT REPORTING – CONTINUED

	MALAYSIA $	SINGAPORE $	INDONESIA $	AUSTRALIA $	OTHER COUNRIES $	TOTAL $
YEAR ENDED 31 MARCH 2017						
Revenue						
Corporate	54,703	1,570,390	-	-	-	1,625,093
Retail	214,004	67,742	30,295	27,611	72,591	412,243
Total segment and group revenue	**268,707**	**1,638,132**	**30,295**	**27,611**	**72,591**	**2,037,336**
Segment and group cost of sales	**(179,676)**	**(1,095,368)**	**(20,257)**	**(18,463)**	**(48,540)**	**(1,362,304)**
Other income and forex gains	-	-	-	-	-	551,985
Administration and operating expenses	-	-	-	-	-	(4,380,559)
Depreciation and amortisation	-	-	-	-	-	(1,985,672)
Group loss for the period	**89,031**	**542,764**	**10,038**	**9,148**	**24,052**	**(5,139,214)**
Net cash flows from operating activities	(3,978,785)	791,335	14,635	13,338	35,067	(3,124,410)
Net cash flows from investing activities	-	-	-	-	-	(335,616)
Net cash flows from financing activities	-	-	-	-	-	(25,163)
Net cash inflow/(outflow)	**(3,978,785)**	**791,335**	**14,635**	**13,338**	**35,067**	**(3,485,189)**
AS AT 31 MARCH 2017						
Assets	**2,442,442**	**14,889,958**	**275,369**	**250,973**	**659,826**	**18,518,568**
Liabilities	**94,471**	**575,930**	**10,651**	**9,707**	**25,521**	**716,280**

31. SEGMENT REPORTING – CONTINUED

	MALAYSIA $	SINGAPORE $	INDONESIA $	AUSTRALIA $	OTHER COUNRIES $	TOTAL $
PERIOD ENDED 31 MARCH 2016						
Revenue						
Corporate	5,448,466	279,203	-	-	-	5,727,669
Retail	230,012	65,054	982	15,159	16,161	327,368
Total segment and group revenue	**5,678,478**	**344,257**	**982**	**15,159**	**16,161**	**6,055,037**
Segment and group cost of sales	**(313,179)**	**(88,576)**	**(1,337)**	**(20,640)**	**(22,005)**	**(445,737)**
Other income and forex gains	-	-	-	-	-	535,371
Administration and operating expenses	-	-	-	-	-	(9,062,227)
Depreciation and amortisation	-	-	-	-	-	(1,610,709)
Group loss for the period	**5,365,299**	**255,681**	**(355)**	**(5,481)**	**(5,844)**	**(4,528,265)**
Net cash flows from operating activities	(1,572,223)	(24,056)	(68)	(1,059)	(1,129)	(1,598,535)
Net cash flows from investing activities	-	-	-	-	-	(180,147)
Net cash flows from financing activities	-	-	-	-	-	10,141
Net cash outflow	**(1,572,223)**	**(24,056)**	**(68)**	**(1,059)**	**(1,129)**	**(1,768,541)**
AS AT 31 MARCH 2016						
Assets	**24,028,328**	**1,456,715**	**4,155**	**64,145**	**68,385**	**25,621,728**
Liabilities	**164,948**	**10,000**	**29**	**440**	**468**	**175,885**

DIRECTOR'S DECLARATION

The Directors of the Group declare that:

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

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

   (b) give a true and fair view of the financial position as at 31 March 2017 and of the performance for the period ended on that date of the Group.

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

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

4. The Directors have been given the declarations as required by Section 295A of the Corporations Act for the period ended 31 March 2017.

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

On behalf of the Board

Jefrey Ong

Director
Signed on this 29th day in June 2017

HLB Mann Judd

INDEPENDENT AUDITOR'S REPORT
To the members of Flexiroam Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Flexiroam Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 March 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Group's financial position as at 31 March 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
Carrying value of intellectual property (Note 15)	
The Group has an intellectual property asset of $14,631,983 as at 31 March 2017. The intellectual property asset is known as Flexiroam Malaysia, an international roaming system which operates on a sophisticated network of services.	Our audit procedures included but were not limited to: - Obtaining an understanding of the key controls associated with the preparation of the model used to assess the

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

Due to the ongoing losses incurred in the business, management conducted an impairment assessment in relation to intellectual property. We considered this to be a key audit matter due to its importance to users' understanding of the financial statements, the degree of estimation involved in future cash flows, discounts rates and other inputs to the value-in-use calculation and the degree of audit effort directed towards this area.	recoverable amount of the asset; - Critically evaluating management's methodology in the value-in-use model and the basis for key assumptions; - Assessing the value-in-use model for consistency with the requirements of Australian Accounting Standards; - Performing sensitivity analyses around the key inputs used in the cash flow forecasts and the headroom impact on the model; - Reviewing the mathematical accuracy of the value-in-use model; - Comparing value-in-use to the carrying amount of assets comprising the cash-generating unit; - Considering whether the assets comprising the cash-generating unit had been correctly allocated; - Comparing forecast cash flows to the latest Board approved forecasts; - Comparing key assumptions in forecast cash flows to historical results and, where these were materially different, critically reviewing the basis for differing future expectations; - Considering the appropriateness of the discount rate used; and - Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.
Revenue recognition (Note 7)	
The Group recorded revenue of $2,037,336 during the year relating to sales to business and retail customers. We considered revenue recognition a key audit matter due to the complexity of determining an appropriate accounting policy, the importance of the matter to users' understanding of the financial report and the nature and extent of audit procedures required to address the matter.	Our audit procedures included but were not limited to: - Obtaining an understanding of the key controls associated with the recognition of revenue; - Performing testing over a sample of revenue streams to supporting evidence; - Conducting analytical review procedures over revenue; - Assessing the Group accounting policies for compliance with the revenue recognition requirements of Australian Accounting Standards; - Assessing cut-off and amounts included within deferred revenue for compliance with accounting standard requirements and the Group's accounting policy.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2017, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

HLB Mann Judd

events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 31 March 2017.

In our opinion, the remuneration report of Flexiroam Limited for the year ended 31 March 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
29 June 2017

ASX INFORMATION AS AT 20 JUNE 2017

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

1. SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
REAPFIELD TECHNOLOGY SDN BHD	96,000,000	49.56

2. DISTRIBUTION OF SECURITY HOLDERS

FULLY PAID ORDINARY SHARES			
RANGE	HOLDERS	UNITS	%
1 – 1,000	6	287	0.000
1,001 – 5,000	38	133,295	0.069
5,001 – 10,000	83	766,288	0.396
10,001 – 100,000	170	7,166,822	3.700
100,001 – over	75	185,622,809	95.835
	372	193,689,501	100.000

3. UNMARKETABLE PARCELS

Holding less than a marketable parcel of ordinary shares (being 6,666 shares as at 20 June 2017):

HOLDERS	UNITS
59	228,759

4. SECURITIES SUBJECT TO VOLUNTARY ESCROW

The following securities are currently subject to voluntary escrow:

SECURITIES	ESCROW PERIOD	RELEASE DATE	NUMBER
Fully paid ordinary shares	24 months from date of issue	29 January 2018	2,276,400

5. UNQUOTED SECURITIES

SECURITIES	NUMBER OF OPTIONS	NUMBER OF HOLDERS	HOLDERS WITH MORE THAN 20%
Unlisted options, exercisable at $0.20 on or before 8 June 2018	3,000,000	2	2

HOLDER	NUMBER HELD
TRIDENT CAPITAL PTY LTD	1,000,000
ZERO NOMINEES LIMITED	2,000,000

ASX INFORMATION AS AT 20 JUNE 2017

6. TWENTY LARGEST SHAREHOLDERS – ORDINARY SHARES

	NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
1	REAPFIELD TECHNOLOGY SDN BHD	96,000,000	49.56
2	PRIME ADVISORY GLOBAL LIMITED	9,500,000	4.91
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,197,575	3.72
4	CITICORP NOMINEES PTY LIMITED	6,678,065	3.45
5	TA SECURITIES HOLDINGS BERHAD	5,800,000	2.99
6	RZ CAPITAL SDN BHD	4,500,000	2.32
7	KAI FATT WONG	4,500,000	2.32
8	SI PIN LIM	4,500,000	2.32
9	RHB SECURITIES SINGAPORE PTE LTD <CLIENTS A/C>	4,206,680	2.17
10	MR WAI PIN NG	3,728,220	1.93
11	TRIDENT CAPITAL PTY LTD	3,387,000	1.75
12	MR CHEE CHEOON OW	3,308,595	1.71
13	RZ CAPITAL PTE LTD	3,000,000	1.55
14	HAN YIE TEH	3,000,000	1.55
15	MR KOK CHOONG ONG	1,743,000	0.90
16	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	1,690,000	0.87
17	MISS ONG YING HWA	1,524,016	0.79
18	MS PUI MUN CHONG	1,308,595	0.68
19	MR YEAP KUP SANG	1,100,000	0.57
20	MS PUI MUN CHONG	1,040,671	0.54
	TOTAL	**167,712,417**	**86.59**

7. VOTING RIGHTS

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

8. ON-MARKET BUYBACK

There is no current on-market buy-back

9. STOCK EXCHANGE LISTING

Quotation has been granted for the Company's Ordinary Shares.

10. PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND RECOMMENDATIONS

The Board has adopted and approved the Company's Corporate Governance Statement, which can be found on the Company's website at **www.flexiroam.com**.