



World Reach Limited
ABN 39010 568 804

5 / 8 Anzed Court, Mulgrave,
Victoria, Australia 3170

T +61 3 8561 4200
F +61 3 9560 9055
E: info@worldreach.com.au

23 October 2015

The Manager
Market Announcements Platform
Australian Securities Exchange

Notice of Annual General Meeting

Please find attached the Company's Notice of Annual General Meeting, Explanatory Notes and Proxy Form for the meeting to be held on Tuesday, 24 November 2015 at 10.00 am, at Unit 5, 8 Anzed Court, Mulgrave. Victoria.

These documents have been mailed to shareholders together with a copy of the 2015 Annual Report if required.

Yours faithfully

A handwritten signature in black ink, appearing to read "Dennis Payne". The signature is fluid and cursive, with a prominent loop at the end.

Dennis Payne
Company Secretary



World Reach Limited

ABN 39010 568 804

5 / 8 Anzed Court, Mulgrave,
Victoria, Australia 3170

T +61 3 8588 4500

F +61 3 9560 9055

E info@worldreach.com.au

W www.worldreach.com.au

22 October 2015

To The Shareholder

Dear Shareholder,

Please find enclosed a notice of the Annual General Meeting of the Company to be held at the Company's offices on Tuesday 24 November 2015 at 10.00am.

I hope you can attend the meeting, however if you are unable to attend, I encourage you to complete the enclosed proxy form. Return it by mail or fax to the Company at the addresses noted on the instructions for completion of the proxy form, no later than 10.00am (AEDST) on Sunday 22 November 2015.

A copy of the Annual Report for the year ended 30 June 2015 has been lodged with the ASX and on the Company's website and has been mailed to all shareholders who elected to receive a copy.

If you wish to receive a copy please contact the Mulgrave office of the Company at the above address.

I look forward to seeing you at the meeting.

Yours faithfully

A handwritten signature in dark ink, appearing to read "Dennis Payne". The signature is fluid and cursive, with a large initial 'D' and 'P'.

Dennis Payne
Company Secretary

WORLD REACH LIMITED
ACN 010 568 804

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of World Reach Limited (the **Company**) will be held at the Company's office at Unit 5, 8 Anzed Court, Mulgrave, Victoria on Tuesday 24 November 2015 at 10.00am (the **Meeting**).

AGENDA:

A. Annual Report

To table the Annual Report of the Company for the year ended 30 June 2015 and to provide members with the opportunity to raise any issues or ask questions generally of the Directors concerning the Annual Report or the business and operations of the Company.

B. RESOLUTIONS:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. Election of Director

THAT, **David Antony Dawson**, a Director appointed by the Board on 18 November 2014 in accordance with the Company's Constitution, being eligible and having offered himself for election, be elected as a Director of the Company.

2. Election of Director

THAT, **Simon Lister Wallace**, a Director appointed by the Board on 5 February 2015 in accordance with the Company's Constitution, being eligible and having offered himself for election, be elected as a Director of the Company.

3. Re-election of Retiring Director

THAT, **Carl Cheung Hung**, a Director retiring by rotation in accordance with the Company's Constitution, being eligible and having offered himself for re-election, be re-elected as a Director of the Company.

4. Grant of Options to Michael Ian Capocchi

THAT, for the purpose of Chapter 2E of the Corporations Act 2001 and for the purposes of ASX Listing Rule 10.11, approval is given for the grant of 907,500 options to Michael Capocchi, exercisable at \$0.195 (19.5 cents) a share, to vest on 30 June 2016 and exercisable on or before 30 November 2020, on the terms and conditions set out in the Explanatory Statement.

5. Grant of Options to David Antony Dawson

THAT, for the purpose of Chapter 2E of the Corporations Act 2001 and for the purposes of ASX Listing Rule 10.11, approval is given for the grant of 400,000 options to David Dawson, exercisable at \$0.195 (19.5 cents) a share, to vest on 30 June 2016 and exercisable on or before 18 November 2016, on the terms and conditions set out in the Explanatory Statement.

6. Grant of Options to Simon Lister Wallace

THAT, for the purpose of Chapter 2E of the Corporations Act 2001 and for the purposes of ASX Listing Rule 10.11, approval is given for the grant of 200,000 options to Simon Wallace, exercisable at \$0.195 (19.5 cents) a share, to vest on 30 June 2016 and exercisable on or before 5 February 2017, on the terms and conditions set out in the Explanatory Statement.

7. Adoption of Remuneration Report

THAT, for the purpose of Section 250R(2) of the Corporations Act, the Remuneration Report for the financial year ended 30 June 2015 as set out on pages 10 to 17 of the Annual Report be adopted.

-This is a non binding advisory resolution.

C. SPECIAL RESOLUTION:

To consider and, if thought fit, to pass the following resolution as a special resolution:

8. Approval for Additional Placement Capacity

THAT, for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue and allotment of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement accompanying this Notice of Meeting.

GENERAL NOTES

1. Voting in Person

To vote in person, attend the Meeting at the time, date and place set out above.

2. Voting by proxy

1.2.1 **(Appointing a Proxy):** A shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote for the shareholder at the Meeting. A shareholder who is entitled to cast 2 or more votes at the Meeting may appoint a second proxy. The appointment of the second proxy must be done on a separate copy of the proxy form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the shareholder's voting rights. If a shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a shareholder of the Company.

1.2.2 **(Direction to Vote):** A proxy need not vote in that capacity on a show of hands on any Resolution nor (unless the proxy is the Chairman of the Meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a Resolution, and the proxy decides to vote in that capacity on that Resolution, the proxy must vote the way specified (subject to the other provisions of this notice of Meeting, including the voting exclusions noted below).

1.2.3 **(Voting restrictions with respect to undirected proxies):** The Corporations Act prohibits the Company's key management personnel and their closely related parties voting as proxy on Resolutions connected directly or indirectly with the remuneration of key management personnel (such as Resolution 7), if the proxy appointment does not specify the way the person is to vote. The prohibition does not apply to the Chairman of the Meeting where the proxy appointment expressly authorises the Chairman of the Meeting to exercise an undirected proxy. If a shareholder appoints the Chairman of the Meeting as their proxy and the shareholder does not direct the Chairman of the Meeting how to vote on Resolution 7) the shareholder authorises the Chairman of the Meeting in respect of Resolution 7 to exercise the proxy:

1.2.3.1 notwithstanding that Resolution 7 is connected directly or indirectly with the remuneration of the Company's key management personnel; and

1.2.3.2 even if the Chairman of the Meeting has an interest in the outcome of the vote on Resolution 7, and that any votes cast

by the Chairman of the Meeting in respect of Resolution 7, other than as proxy holder, will be disregarded because of that interest.

The Chairman of the Meeting intends to vote undirected proxies (where he has been appropriately authorised, having regard to the voting restrictions set out in this notice of general meeting) in favour of each Resolution.

1.2.4 **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form (and attach any authority under which it is signed or a copy which appears on its face to be an authentic copy) by:

1.2.4.1 post to World Reach Limited, Unit 5, 8 Anzed Court, Mulgrave VIC 3170; or

1.2.4.2 facsimile to the Company on number +61 3 9560 9055,

so that it is received by 10.00 am (AEDST) on Sunday 22 November 2015, being not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.

3. Corporate Representative

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the Meeting. Unless it has previously been given to the Company, the representative should bring evidence of their appointment to the Meeting, together with any authority under which it is signed. The appointment must comply with section 250D of the *Corporations Act 2001* (Cth).

4. Attorney

A shareholder may appoint an attorney to vote on their behalf. To be effective for the Meeting, the instrument effecting the appointment (or a copy which appears on its face to be an authentic copy) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the Meeting.

5. Voting Entitlement

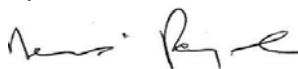
A determination has been made by the Board of Directors of the Company in accordance with Regulation 7.11.3 7 of the Corporations Act that those persons who are registered as the holders of shares in the Company at 7pm (AEDST) on Friday 20 November 2015, will be taken to be the holders of shares for the purposes of determining voting entitlements at the Meeting.

6. Explanatory Notes

Explanatory Notes accompany this Notice containing information about the business referred to in this Notice.

DATED 22 October 2015

By order of the Board



Dennis Payne

Secretary

WORLD REACH LIMITED

ACN 010 568 804

EXPLANATORY NOTES

The purpose of these Explanatory Notes (which are included in and form part of this Notice of Annual General Meeting to be held on 24 November 2015 is to provide shareholders with further information and an explanation of the business of the meeting and of the resolutions to be proposed and considered at the meeting, to assist shareholders to determine how they wish to vote on these resolutions.

ORDINARY BUSINESS

1. Annual Report

The Corporations Act requires that the Company's Annual Report which includes the Financial Statements, Director's Report and Auditor's Report for the year ended 30 June 2015 be laid before the Annual General Meeting.

A copy of the Annual Report has been lodged with the ASX and on the Company's website and has been sent to those shareholders who have elected to receive a copy.

Shareholders will have the opportunity to raise questions about these reports at the meeting, although in accordance with the Corporations Act and the Company's Constitution, there is no need for shareholders to vote on, approve or adopt these reports.

2. Resolution 1 – Election of Director (David Antony Dawson)

2.1 Background

David Antony Dawson was appointed as a Non-Executive Director and Chairman by the Board on 18 November 2014. In accordance with the Company's Constitution and being eligible, David Dawson offers himself for election at this meeting of the Company.

2.2 Director's Interest

Blue Morris Pty Ltd, as trustee for the Dawson Family Trust, holds 300,000 ordinary shares in the Company. David Dawson is a director of the trustee and a member of the Dawson Family Trust. As such he holds an indirect interest in 0.69% of the currently issued shares and is thereby not regarded as a substantial holder of World Reach Limited.

2.3 Personal Particulars

David Dawson's personal particulars are set out in the information on Directors at page 4 of the Company's Annual Report.

2.4 Recommendation

The Directors recommend that shareholders vote in favour of Resolution 1.

3. Resolution 2 – Election of Director (Simon Lister Wallace)

3.1 Background

Simon Lister Wallace was appointed as a Non-Executive Director by the Board on 5 February 2015. In accordance with the Company's Constitution and being eligible, Simon Wallace offers himself for election at this meeting of the Company.

3.2 Director's Interest

Simon Wallace does not currently hold an interest in any securities of the Company.

3.3 Personal Particulars

Simon Wallace's personal particulars are set out in the information on Directors at page 4 of the Company's Annual Report.

3.4 Recommendation

The Directors recommend that shareholders vote in favour of Resolution 2.

4. Resolution 3 – Re-election of Retiring Director (Carl Cheung Hung)

4.1 Background

Rule 16.1 of the Constitution requires one third of the Directors (other than the Managing Director) to retire each year at the Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election.

The Company has three Directors other than the Managing Director, two of whom were appointed during the year and offer themselves for election at this meeting. The third Director, Carl Cheung Hung, is thereby required to retire. Carl Hung is permitted to seek re-election and offers himself for re-election.

4.2 Director's Interest

Carl Hung is the President and a Director of Season Group. During the year ended 30 June 2015 the Company subcontracted manufacturing on an arms-length basis to Season Group, in accordance with a contract signed prior to his appointment as Director. Transactions between the Company and Season Group are on normal commercial terms and conditions no more favourable than those available to other parties. SGV1 Holdings Limited, a company that Carl Hung is associated with, holds 21.41% of the Company's shares.

4.3 Personal Particulars

Carl Hung's personal particulars are set out in the information on Directors at page 5 of the Company's Annual Report.

4.4 Recommendation

The Directors recommend that shareholders vote in favour of Resolution 3.

5. Resolutions 4, 5 and 6 – Grant of Options to Directors

5.1 Background

Under Resolutions 4, 5 and 6, the Company seeks shareholder approval under Chapter 2E of the Corporations Act and Listing Rule 10.11 for the issue of options to three of its Directors as remuneration and also as a long term incentive to:

- (a) Michael Capocchi in respect of performance in financial years 2014 and 2015, as announced on 26 March 2015,
- (b) David Dawson following his appointment to the board on 18 November 2014, and as announced on 21 February 2015, and
- (c) Simon Wallace following his appointment to the board on 5 February 2015, and as announced on 21 February 2015.

5.2 ASX Listing Rule and Corporations Act Disclosure Requirements

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to its Directors without shareholder approval, unless the giving of the financial benefit falls under one of the exceptions specified in the Act. Financial benefit is defined in the Corporations Act in broad terms and includes a public company issuing options. As none of the exceptions in the Act apply in this case, shareholder approval is required for the grant of the options.

ASX Listing Rule 10.11 prohibits the issue of securities to Directors without shareholder approval (unless one of the exceptions set out in Listing Rule 10.12 applies, none of which apply here).

In accordance with Chapter 2E of the Corporations Act, the Company has lodged a copy of this Notice with ASIC.

For the purposes of ASX Listing Rule 10.13 and section 219 of the Corporations Act, the following information is given to shareholders:

(a) The identity of the related parties

The Directors to whom financial benefits will be given if the resolutions are approved are:

Michael Capocchi (Managing Director);
David Dawson (Non-Executive Director and Chairman)
Simon Wallace (Non-Executive Director).

(b) The nature of the financial benefit

The financial benefit to be given is the grant of the 907,500 options to Michael Capocchi, 400,000 options to David Dawson and 200,000 options to Simon Wallace as part of their remuneration and incentive packages with the Company and in consideration of their services to the Company. No cash consideration will be paid by these Directors on the grant of the options.

The grant of the options will form part of the Directors' remuneration as, in the Board's opinion, the financial, legal and other responsibilities assumed by Directors of public companies provide a risk that monetary fees alone do not adequately reward and do not provide adequate incentive to enable the Company to attract and keep board members and Directors of the requisite level of experience and qualifications.

In determining the number of options to be granted to each Director, consideration was given to the relevant experience and role of each of the Directors, their respective overall remuneration terms, and the current market price of the Company's shares.

Michael Capocchi holds 600,000 options from a previous issue of options, approved by shareholders in 2012, at an exercise price of \$0.65 each.

The options to be issued to Directors under Resolutions 4, 5 and 6 have the following terms:

(i) Each option entitles the holder to one (1) fully paid ordinary share in the capital of the Company.

(ii) The options vest with each holder on 30 June 2016.

(iii) The options are exercisable before 5.00pm (AEST) on:

- For Michael Capocchi, 30 November 2020.
- For David Dawson, 18 November 2016.
- For Simon Wallace, 5 February 2017.

(iv) The options are exercisable at a price of \$0.195 each.

(v) If the holder is no longer a Director of the Company for any reason, the options will automatically lapse.

(vi) All shares issued upon exercise of the options will rank pari passu in all respects with the Company's then issued shares. The options will be unlisted. No quotation will be sought from the ASX for the options.

(vii) The options are not transferable.

(viii) In accordance with Listing Rule 6.19, option holders will not have a right to participate in new issues without exercising their options prior to the record date of such a new issue.

(ix) In the event of a reorganization of the capital of the Company the rights of an option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganization of capital at the time of the reorganization.

Notwithstanding that the issue of these options is subject to shareholder approval, Accounting Standard AASB 2 requires the expensing of Director's options to begin from the commencement of service related to those options. The issue of the options has and will result in the Company recognizing an estimated expense in the following years:

- Year ended 30 June 2015 : \$ 81,568
- Year ended 30 June 2016 : \$293,030

A total expense of \$374,598.

(d) Valuation

The fair value of the options to be granted has been assessed by an independent expert Mr. Paul Lom of DMR Corporate Pty Ltd whose full report dated 7 October 2015 is attached hereto (Schedule 1). Mr. Lom has assessed the value of the options to be granted to each Director as

i. Michael Capocchi:	\$229,598
ii. David Dawson:	\$ 96,400
iii. Simon Wallace:	\$ 48,600

(e) Director's remuneration

As at the date of this Notice, the annual remuneration (inclusive of superannuation where applicable but excluding options expense) payable to the three Directors for the current and previous financial years is set out below:

	<u>Current Year</u>	<u>Year ended 30 June 2015</u>
M Capocchi	\$660,000 (estimate)	\$652,354
D Dawson	\$ 33,333	\$ 18,908
S Wallace	\$ 33,333	\$ 11,177

(f) Directors' interest in the outcome

On a fully diluted basis including exercise of existing options, the percentage interest in the Company if Resolutions 4, 5 and 6 are approved by Shareholders will increase if the options are granted as follows:

	<u>Current</u>	<u>After full vesting of the options</u>
M Capocchi	3.26%	6.44%
D Dawson	0.69%	1.55%
S Wallace	0%	0.44%

Each Director, because he has a material personal interest in the outcome of the Resolution relevant to him, declines to make a recommendation, in relation to that Resolution and because he has a commonality of interest in the outcome of the Resolution relevant to his fellow Directors, feels good corporate governance requires him to decline to make a recommendation in relation to those Resolutions.

(g) Dilution effect

If the options are issued, and all are subsequently exercised, the Company will issue an additional 1,507,500 shares, which will dilute the holdings of existing shareholders by 3.5% (assuming no other change in the capital of the Company). If all existing options are exercised the interests of existing shareholders would be diluted by 3.3% by the exercise of the options.

(h) Share price history

In the 12 months before the date of this Notice, the highest, lowest and last trading price of the Company's ordinary shares on the ASX was:

Highest:	\$0.55
Lowest:	\$0.115
Last:	\$0.405

(i) Date of Issue

The options will be issued within 1 month of approval by the Company's shareholders.

(j) Use of Funds

No funds will be raised from the issue of the options. However, if all the options are issued and are subsequently exercised, the Company will receive \$293,962. Any funds raised on the exercise of the options will be applied as working capital.

(k) Further information

The Directors are not aware of any other information that may be reasonably required by members in order to decide whether or not it is in the Company's interests to pass the proposed Resolutions.

5.2 Voting Exclusion Statement:

In accordance with ASX Listing Rule 14.11, the Company will disregard any votes cast on Resolutions 4, 5 and 6 by either of the three Directors involved and their associates. However the Company need not disregard a vote if

(a) it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or

(b) it is cast by the person Chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

5.3 Recommendation

Carl Hung, the only other Non-Executive Director, who does not have a material interest in the outcome of the Resolutions recommends that shareholders vote in favour of Resolutions 4, 5 and 6.

6 Resolution 7 – Adoption of Remuneration Report

6.1 Annual Report

The Annual Report for the year ended 30 June 2015 contains a Remuneration Report (refer pages 10-17) which sets out the remuneration policy for the Company and reports remuneration arrangements in place for Directors and key management personnel.

The Corporations Act requires the agenda of an annual general meeting to include a resolution for the adoption of the Remuneration Report. The vote on the resolution is advisory only and is not binding on the Directors or the Company.

The Company's Annual Report is available on the Company website (<http://worldreach.com.au>) or will be mailed to shareholders who request a copy.

A reasonable opportunity will be allowed to the shareholders as a whole for questions and comments on the Remuneration Report.

6.2 Voting Prohibition

A vote on Resolution 7 must not be cast by or on behalf of either of the following persons:

(a) a member of the key management personnel as disclosed in the remuneration report;

(b) a closely related party (such as close family members and any controlled companies) of those persons,
unless the vote is cast by a person as proxy for a person entitled to vote in accordance with the direction on the proxy form.

6.3 Recommendation

The Directors recommend that shareholders vote in favour of Resolution 7.

SPECIAL RESOLUTION

7 Resolution 8 – Approval for Additional Placement Capacity

7.1 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval to allow it to issue equity securities up to 10% of its issued capital through placements over a period up to 12 months after the entity's annual general meeting (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

The Company is an eligible entity.

The effect of Resolution 8 will be to allow the Directors to issue equity securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Company is now seeking shareholder approval of Resolution 8 by way of a special resolution. Accordingly at least 75% of votes cast by shareholders present and eligible to vote at the Meeting must be in favour of Resolution 8 for it to be passed.

The equity securities issued under Listing Rule 7.1A must be in the same class as an existing class of quoted equity securities. As at the date of this Notice, the Company has only one class of quoted equity securities on issue, being the shares.

The exact number of equity securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times B) - C$$

Where:

- A** = the number of shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of shares issued in the previous 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4; and
 - (iv) less the number of shares cancelled in the previous 12 months.
- B** = 10%.
- C** = the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

7.2 Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 8:

(a) Details of equity securities Issued in the Past 12 Months

Listing Rule 7.3A requires details to be provided of all issues of equity securities in the 12 months preceding the date of the upcoming AGM, whether or not they were issued under the additional 10% placement capacity allowed under Listing Rule 7.1A.

Equity securities issued in the prior 12 month period:	1,858,146
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period:	4.3%

(b) Details of each individual issue:

Date of issue #1:	18 December 2014
Number issued:	973,333
Class/Type of equity security:	Options for ordinary shares
<i>Summary of terms:</i>	
Names of persons who received securities or basis on which those persons was determined:	Options issued to Ample Skill Limited, following shareholder approval at the AGM 18 November 2014, under a placement arrangement announced on 28 January 2014
Issue price:	Nil
Terms:	Exercisable at \$0.185 per share on or before 18 December 2016
Discount to market price (if any):	n/a
<i>For non-cash issues:</i>	
Non-cash consideration paid:	n/a
Current value of non-cash consideration:	n/a

Date of issue #2:	31 March 2015
Number issued:	884,813
Class/Type of equity security:	Options for ordinary shares
<i>Summary of terms:</i>	
Names of persons who received securities or basis on which those persons was determined:	Options issued to key employees under the Employee Option Plan approved by shareholders at the AGM on 18 November 2014
Issue price:	Nil
Terms:	Exercisable at \$0.195 per share on or before 31 March 2020
Discount to market price (if any):	n/a
<i>For non-cash issues:</i>	
Non-cash consideration paid:	n/a
Current value of non-cash consideration:	n/a

(c) Minimum Price for future issues under the 10% Placement Capacity

The minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the equity securities are to be issued is agreed; or
- (ii) if the equity securities are not issued within 5 ASX trading days of the date in paragraph 1.3(d)(i), the date on which the equity securities are issued.

(d) Date of Issue

The equity securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

or such longer period if allowed by ASX.

(e) Risk of voting dilution

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of shareholders who do not receive any shares under the issue.

If Resolution 8 is approved by shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing shares would be as shown in the table below.

The table below shows the dilution of existing shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of shares and the current number of equity securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of shares issued under 10% Placement Capacity.

Number of shares on issue	Dilution			
	Number of shares issued under 10% Placement Capacity	Funds raised based on issue price of \$0.22 (50% decrease in current issue price)	Funds raised based on issue price of \$0.44 (Current issue price at 1 Oct 2015)	Funds raised based on issue price of \$0.66 (50% increase in current issue price)
43,173,452 (Current)	4,317,345	\$949,816	\$1,899,632	\$2,849,448
64,760,178 (50% increase)	6,476,018	\$1,424,724	\$2,849,448	\$4,274,172
86,346,904 (100% increase)	8,634,690	\$1,899,632	\$3,799,264	\$5,698,895

* The number of shares on issue (variable A in the formula) could increase as a result of the issue of shares that do not require shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. The current shares on issue are the shares on issue as at 1 October 2015.
2. The issue price set out above is the closing price of the shares on the ASX on 1 October 2015.
3. No options are exercised.
4. The Company issues the maximum possible number of equity securities under the 10% Placement Capacity.
5. The Company has not issued any equity securities in the 12 months prior to the Annual General Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
6. The calculations above do not show the dilution that any one particular shareholder will be subject to. All shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the shares may be issued at a price that is at a discount to the market price for those shares on the date of issue.

(f) Purpose of Issue under 10% Placement Capacity

The Company may seek to issue equity securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration, in which case the Company may use funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition) and/or general working capital; or
- (ii) as non-cash consideration for the acquisition of new assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

(g) Allocation under the 10% Placement Capacity

The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current shareholders or new investors (or both).

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing shareholders may participate;
- (iii) the effect of the issue of the equity securities on the control of the Company;
- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

7.3 Voting Exclusion

The Company will disregard any votes cast on Resolution 8 by any person who may participate in the issue of equity securities under this resolution and any person who might gain an advantage, other than an advantage solely in the capacity of an ordinary security holder, from the passing of this resolution and any associates of those persons.

However, the Company need not disregard a vote if:

- (h) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (i) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

As at the date of this Notice, the Company has not invited any existing shareholders to participate in an issue of equity securities under ASX Listing Rule 7.1A. Therefore, no existing shareholders will be excluded from voting on Resolution 8.

7.4 Recommendation

The Directors recommend that shareholders vote in favour of Resolution 8.

DMR CORPORATE

DMR



7 October 2015

The Directors
World Reach Limited
5/8 Anzed Court
Mulgrave VIC 3170

Dear Sirs

1. RE: Value of Options

1. Introduction

1.1 We have been requested by Mr Dennis Payne, Chief Financial Officer and Company Secretary, of World Reach Limited ("World Reach" or the "Company") to provide World Reach with independent advice in respect of the fair value (as defined by Appendix A of AASB 2) of the options proposed to be issued to the Company's Directors. Shareholder approval is being sought for the issue of the options at the Annual General Meeting ("AGM") to be held on or about 30 November 2015.

1.2 We understand that the following options were agreed to be issued:

Director	No. of Options	Exercise Price \$	Vesting Date	Expiry Date
David Dawson	400,000	0.195	30/06/16	18/11/16
Simon Wallace	200,000	0.195	30/06/16	5/02/17
Michael Capocchi	453,750	0.195	30/06/16	30/11/20
Michael Capocchi	453,750	0.195	30/06/16	30/11/20
	<u>1,507,500</u>			

1.3 We understand that, as the options are to be issued to directors, these cannot formally be issued until shareholder approval has been obtained. World Reach plans to seek shareholder approval to issue the options at its AGM, which is expected to be held on or about 30 November 2015.

1.4 The options will be granted to Directors of the Company and must therefore be recognised for accounting purposes in accordance with Australian accounting standards, in particular AASB 2 'Share-based Payment'. AASB 2 requires options to be valued as at their grant date. A valuation as at an assumed grant date for the purposes of shareholder approval is completed in order to advise the shareholders of the approximate value of the option benefits that they are being asked to approve. If the options are approved and subsequently issued, another valuation as at the grant date must be completed, for the purposes of expensing the options in the company's accounts.

DMR Corporate Pty Ltd
ACN 063 564 045
AFSL No. 222050

Melbourne
Level 12, 440 Collins Street
Melbourne VIC 3000 Australia

In association with PKF
(03) 96792351

p (03) 9679 2350

PKF International Limited administers a network of legally independent firms which carry on separate businesses under the PKF Name. PKF International Limited is not responsible for the acts or omissions of individual member firms of the network.

For office locations visit www.pkf.com.au

2. Valuation Methodology

- 2.1 Options are generally valued using one of a number of option pricing models and AASB 2 does not mandate the use of a particular model in valuing director options.
- 2.2 We have reviewed the terms of the options and based on this review we have concluded that there is a reasonable probability that the options will be exercised before their expiry date. Our principal reason for this view is the lack of transferability of the options and the fact that they lapse following cessation of employment. Our view that the options may be exercised early is supported by empirical evidence that employee and director options are often exercised well before their expiry date. For this reason we have valued the options using the binomial model, which has been tailored specifically for use in valuing employee options.
- 2.3 The binomial model used incorporates the Hull-White adjustment. The Hull-White adjustment requires an assumption to be made that the options will be exercised when the share price reaches a selected multiple of the option exercise price.
- 2.4 The model used determines the value of an option as a function of the following variables:
- 1) the current share price of the underlying shares
 - 2) exercise price of the option
 - 3) volatility of the share price
 - 4) vesting conditions
 - 5) time to maturity
 - 6) risk free rate of interest
 - 7) expected dividend yield
 - 8) an exercise price multiple

3. Assumptions used

- 3.1 Set out below is a discussion of each of the variables and the assumptions that we have selected in applying the binomial model to the options.

3.2 The current share price of the underlying shares

World Reach is a limited liability company incorporated in Australia and its securities are listed on the Australian Securities Exchange (ASX).

AASB 2 defines fair value as "The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction".

The AASB 2 guidance provides that the fair value of the shares shall be measured at the market price of the entity's shares, or an estimated market price, if the entity's shares are not publicly traded.

In view of the above, where there is a deep and active market in a company's shares, we use the closing share price on the date the options are granted, however we do not believe that this is appropriate where there is not a deep and active market. As World Reach is issuing over 1.5 million options and as during the past 30 days the total number of shares traded was less than 1 million shares, it cannot be said that there is an active market in World Reach's shares and for this reason we examined the share price for a period leading up to the date of this report.

The volume weighted average share price (VWAP), based on closing daily prices, for a range of periods is set out in the table below:

Period	Shares Traded		VWAP	Share Price	
	Number	Value		Low	High
		\$	\$	\$	\$
30 days to 5/10/2015	986,562	330,974	0.335	0.280	0.480
60 days to 5/10/2015	2,417,673	843,938	0.349	0.280	0.480
90 days to 5/10/2015	3,015,952	1,123,696	0.373	0.280	0.520

We have reviewed the market announcements issued by World Reach over the past 90 days. We do not consider that there has been any market sensitive announcements issued by World Reach during this period that have contributed to any significant change in trading volume or share price.

Based on the above information, we consider that \$0.335 represents the current market value of shares in World Reach at the date of this report.

3.3 The exercise price of the options

The exercise price of the options is \$0.195 per share.

3.4 The volatility of the share price

The volatility of the share price is a measure of uncertainty about the returns provided by the shares. Generally it is possible to predict future volatility of a stock by reference to its historical volatility.

A share with a greater volatility has a greater time value component of the total option value.

The volatility estimate used in option pricing models is typically calculated with reference to the annualised standard deviation of daily share price returns on the underlying security over a specified period.

We source historical volatility information for Australian listed companies from a quarterly research report issued by SIRCA Limited ("SIRCA"), a leading provider of financial data in the Australian market.

The June quarter 2015 SIRCA report estimated the volatility of World Reach shares to be 89.03%. As the World Reach shares are only moderately liquid, we also considered the historical volatility of share price returns for companies comparable to World Reach as set out below:

Listed Company	ASX Code	Market Capitalisation (\$ millions)	Volatility %
Codan Limited	CDA	204	57.85
Senetas Corporation	SEN	156	75.52
Netcomm Wireless	NTC	95	50.92
World Reach Ltd	WRR	13	89.03
Bluechiip Limited	BCT	8	85.56
Kollkorn Corp Ltd	KKL	6	104.62
AVERAGE			77.25
MEDIAN			80.54

After considering the above information, we have concluded that a share price volatility of 77% is appropriate when valuing the World Reach options.

3.5 Vesting conditions

The options vest as at 30 June 2016.

3.6 Time to maturity

The options to be issued to Mr Dawson are to expire on 18 November 2016 and the options to be issued to Mr Wallace are to expire on 5 February 2017. The options to be issued to Mr Capocchi are to expire on 30 November 2020.

3.7 Risk free rate of interest

We have used a risk free rate of 1.865% in valuing the options to be granted to Messrs Dawson and Wallace and we have used a risk free rate of 2.13% in valuing the options to be granted to Mr Capocchi. These rates are based on the current Treasury Bond yields, with a maturity approximating the expiry date of the options.

3.8 Expected dividend yield

World Reach does not have a history of paying dividends and we have assumed that no dividends will be paid during the currency of the options.

3.9 An exercise price multiple

As stated in Section 2, options issued to employees and directors are often exercised prior to their expiry date. This occurs due to the lack of liquidity of the options.

World Reach does not have a history that we could use to predict the likely exercise date.

Based on the available empirical evidence from a number of published studies emanating from the USA, we have concluded that options are generally exercised when the market price of the underlying shares reaches a multiple of 2.0 times the exercise price. This evidence is based on the issuance of options at an exercise price that is approximately equal to the current share price at the grant date. As the options that we have been requested to value are to be issued with an exercise price of approximately 46% of the current share price, and therefore in the money, we have selected an exercise price multiple of 1.5 times the exercise price.

This factor has been taken into account in the application of the Binomial Option Valuation Model we have used.

4. Valuation

- 4.1 Based on the assumptions set out in Section 3 above we have assessed the expected value of the options to be issued to each Director at their grant date, using the Binomial Model, to be:

Option Holder	No. of Options	Value per Option \$	Value per Tranche \$
David Dawson	400,000	0.241	96,400
Simon Wallace	200,000	0.243	48,600
Michael Capocchi	453,750	0.253	114,799
Michael Capocchi	453,750	0.253	114,799
Total	1,507,500		374,598

- 4.2 The above value is our estimate of the fair value of the options. The value incorporates an assumption that the options will be exercised when the share price reaches a multiple of 1.5 times the exercise price. As this multiple is not based on the specific experience of World Reach, by way of a cross check we have calculated the value of the options by excluding the assumption set out in 3.9 above and assuming that they would be exercised at their respective expiry dates. This calculation reveals the maximum value of the options using the Black-Scholes Option valuation. These values are set out below:

Option Holder	No. of Options	Value per Option \$	Value per Tranche \$
David Dawson	400,000	0.244	97,600
Simon Wallace	200,000	0.250	50,000
Michael Capocchi	453,750	0.321	145,654
Michael Capocchi	453,750	0.321	145,654
Total	<u>1,507,500</u>		<u>438,908</u>

- 4.3 Having considered all of the factors outlined in this report, including the above cross check, we have concluded that the fair value of the options is set out in the table at paragraph 4.1 above.
- 4.4 It should be noted that the above values assume that all options will vest. The possibility that the options may not vest due to the option holders resigning during the vesting period is a non-market condition. The assessment of the number of options expected to vest will need to be made by management.
- 4.5 This report has been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

Should you require any further information, please do not hesitate to contact us.

Yours faithfully

DMR Corporate Pty Ltd



Paul Lom

APPOINTMENT OF PROXY

If you would like to attend and vote at the General Meeting, please bring this form with you. This will assist in registering your attendance.

I/We being a member(s) of World Reach Limited and entitled to attend and vote hereby appoint

A

The Chairman of the Meeting (mark box)

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at **the Annual General Meeting of World Reach Limited to be held at the company's office, Unit 5, 8 Anzed Court, Mulgrave, Victoria at 10.00am on Tuesday, 24 November 2015** and at any adjournment of that meeting.

Where more than one proxy is to be appointed or where voting intentions cannot be adequately expressed using this form an additional form of proxy is available on request from the share registry. Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Important for Resolution 7: If the Chairman of the Meeting is your proxy or is appointed your proxy by default.

By marking this box, you are directing the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 7 as set out below and in the Notice of Meeting. **If you do not mark this box and you have not directed your proxy how to vote on Resolution 7, the Chairman of the Meeting will not cast your votes on Resolution 7 and your votes will not be counted in computing the required majority if a poll is called on this item.**

If you appoint the Chairman of the Meeting as your proxy you can direct the Chairman how to vote by either marking the boxes in Part B below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman of the Meeting will vote in favour of Resolution 7).

☐

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 7.

I/We direct the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on Resolution 7 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my proxy even though Resolution 7 is connected directly or indirectly with the remuneration of a member of key management personnel.

ORDINARY RESOLUTIONS:

B

To direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below

Resolution 1

Election of Director, David Antony Dawson

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 2

Election of Director, Simon Lister Wallace

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 3

Re-election of Retiring Director, Carl Cheung Hung

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 4

Grant of Options to Michael Ian Capocchi

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 5

Grant of Options to David Antony Dawson

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 6

Grant of Options to Simon Lister Wallace

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 7

Adoption of Remuneration report

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL RESOLUTION:

C

To direct your proxy how to vote on any resolution please insert ☒ in the appropriate box below

Resolution 8

Approval for Additional Placement Capacity

For	Against	Abstain*
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll

D

SIGNATURE AND NAME OF SECURITYHOLDERS-THIS MUST BE COMPLETED

Securityholder 1 (Individual) or
Sole Director and Sole Company Secretary

Name:.....

Joint Securityholder 2 (Individual) or
Director/Company Secretary (Delete one)

Name:.....

Joint Securityholder 3 (Individual) or
Director

Name:.....

Holding No (if known):.....

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the securityholder's constitution and the Corporations Act 2001 (Cwlth).

How to complete this Proxy Form

1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. Please note: you cannot change ownership of your shares using this form.

2. Appointment of a Proxy using this Form

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

3. Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4. Appointment of Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company or you may copy this form.

To appoint a second proxy you must:

- (a) On each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both forms together.

5. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, either security holder may sign.
- Power of Attorney: to sign under Power of Attorney, you must attach the instrument effecting the appointment (or a copy which appears on its face to be an authentic copy) to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company.

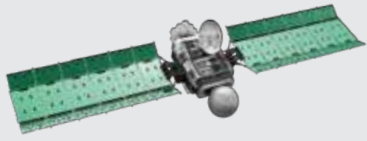
Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below by 10.00am (AEDST) on Sunday, 22 November 2015, being no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged:

By posting or facsimile to World Reach Limited as follows:
World Reach Limited
Unit 5 / 8 Anzed Court, Mulgrave,
Victoria, Australia 3170
Facsimile: 03 9560 9055

Or by delivering it to the above address



CONTENTS

Directorate	1
Chairman's Report	2
Directors' Report	4
Auditor's Independence Declaration	20
Corporate Governance Statement	22
Consolidated Financial Statements	
Consolidated Statement of Profit or Loss and Other Comprehensive Income	34
Consolidated Statement of Financial Position	35
Consolidated Statement of Changes in Equity	36
Consolidated Statement of Cash Flows	37
Notes to the Consolidated Financial Statements	38
Directors' Declaration	56
Auditor's Report	58
Australian Securities Exchange Information	60

DIRECTORATE

NON-EXECUTIVE CHAIRMAN
Mr David Dawson

MANAGING DIRECTOR
Mr Michael Capocchi

NON-EXECUTIVE DIRECTORS
Mr Simon Wallace
Mr Carl Hung

COMPANY SECRETARY
Mr Dennis Payne

REGISTERED OFFICE
Unit 5/8 Anzed Court
Mulgrave, Vic, 3170
Ph: (03) 8561 4200
Fax: (03) 9560 9055
Email: info@worldreach.com.au

SHARE REGISTER
Link Market Services Ltd
Locked Bag A14
Sydney South, NSW, 1235
Ph: (02) 8280 7454
Fax: (02) 9287 0302

SOLICITORS TO THE COMPANY
GrilloHiggins Lawyers
Level 20, 31 Queens Street
Melbourne, Vic, 3000
Ph: (03) 8621 8880

AUDITOR
RSM Bird Cameron Partners
Level 21, 55 Collins Street
MELBOURNE VIC 3000
Ph: (03) 9286 8000
Fax: (03) 9286 8199

ASX OFFICE
Based in Sydney

ASX CODE
WRR

"Our net profit before tax for FY15 was \$644,934, an increase of 46% over the prior year."

As Chairman I am pleased to provide the following report on the Company for the year ended 30 June 2015.

Capital Management

In July 2014 World Reach Limited embarked upon an extensive capital restructuring initiative. A renounceable rights offer allowed existing shareholders the right to purchase one new share per eligible share owned, at an issue price of \$0.15 per share. The rights offer was partially underwritten to the value of \$2,400,000. On 28 July 2014 the Group completed the rights offer with the issue of 16,000,000 new Ordinary Shares raising \$2,400,000 in capital funds.

The funds raised from the rights issue were sufficient to repay all of the Group's interest bearing debt. The debt repayments included the redemption of the remaining convertible notes not converted of \$500,000, the repayment of a shareholder loan of \$300,000 and repayment of the bank term loan of \$275,000. This was in addition to the early repayment of the balance of extended credit of US\$600,000 provided by creditors to part fund the major development project.

By conversion of 26 notes and participation in the rights issue and subsequent underwriting, SGV1 Holdings Limited, a company Mr Carl Hung of Season Group is associated with, became the largest shareholder in the Company holding 21.41% of the Company's shares. This was an extremely important investment from the Company's point of view, solidifying a valuable trade relationship with Season Group.

Another Hong Kong based investment company, Ample Skill Limited, also participated in the rights issue and the underwriting and holds 19.12% of the Company. The investment by Ample Skill is an important strategic stake for the Company.

Performance

Following the successful recapitalisation of World Reach in July and August 2014, the Company has consolidated its financial position improving both the strength of its balance sheet and its profitability. Our net profit before tax for FY15 was \$644,934, an increase of 46% over the prior year. The Group incurred a tax expense of \$38,469 (2015: \$19,824, and 2014 under-provision \$18,645) in respect of the USA subsidiary which is not part of the Australian tax consolidated group and therefore unable to access accumulated Australian tax losses.

For the first time, in FY15 the Group has brought to account \$1,406,402, being part of the income tax benefit derived from accumulated tax losses which have been recognised in the current year, following a conservative re-assessment of the Group's ongoing profitability, in accordance with accounting standards and the Group's policy. This increases the FY15 total net profit after tax to \$2,012,867 and brings the net assets position of the Group at 30 June 2015 to \$6,852,770.

Beam Communications Pty Ltd completed the development of a major new product in June 2014 and a significant highlight for the year to 30 June 2015, was the delivery of a significant portion of the Iridium GO! Units under the supply contract. There is still 25% of the second purchase order remaining to be delivered in the first half of FY16 with further orders anticipated.

Strategy and Outlook

FY15 performance was in line with the strategy and provides a firm basis for the expansion anticipated over the next 3-5 years.

The strategy document developed by the board and the CEO in 2013 has been comprehensively reviewed and updated to form a basis for planning the next 3 to 5 years when significant events in the satellite market are expected.

The new financial year is anticipated to provide the Company with an exciting range of opportunities. Key targets in the Company's current strategic outlook include:

- Securing further supply contracts for the product launched in June 2014 and potential further development of the product;
- The successful design and development of the new concept satellite terminal announced on 9 April 2015, both on-time and on-budget, to ensure deliveries can commence during FY17 following final acceptance testing by the customer;
- Development of the SatPhone Shop business in Australia; and
- The development of new products to complement the existing range, either developed independently by the Group or under major contracts.

The Company is also now in a position to take advantage of any suitable emerging investment opportunities in the satellite market.

Appreciation to Staff and Board

Finally I would like to express my thanks and appreciation to the CEO, Michael Capocchi, his executive team and my fellow board members for their on-going efforts to deliver successful and innovative outcomes for our clients and to secure opportunities that drive growth and returns for our shareholders.

Mr David Dawson
Chairman



DIRECTORS' REPORT

Your Directors present their report on the company and its controlled entities for the financial year ended 30 June 2015.

DIRECTORS

The persons who have been a Director of the Company since the start of the financial year to the date of this report are:

- David Antony Dawson
- Michael Ian Capocchi
- Carl Cheung Hung
- Simon Lister Wallace
- Trevor Bruce Moyle
- John Broadhurst Bee

The qualifications, experience and special responsibilities of each of the directors who held office during the year are:



David Antony Dawson

Chairman
(Appointed 18 November, 2014)
Age: 45

David Dawson is an Executive Director of IFM Investors' Private Capital business. IFM Investors is a global investment manager with over A\$50 billion under management across listed equities, private equity, infrastructure and debt.

David joined IFM Investors in May 2013 and was previously Head of Private Equity for Hastings Funds Management. Over the past thirteen years, David has been involved in the full range of private equity investment activities in Australia including fund raising and portfolio development, as well as the sourcing, management and sale of investments.

David is a seasoned non-executive director having represented Hastings Funds Management on the board of seven investee companies over the past decade in the packaging, retail, recycling and business services sectors through both buoyant and challenging market conditions. David Dawson was also Chairman of Australian College of Natural Medicine Pty Ltd.

Previously, David was Co-Head of ANZ Private Equity with joint responsibility for the business' operations in Sydney, Melbourne, Auckland, Brisbane and Perth.

Prior to joining the private equity industry in 2001, David gained extensive corporate advisory experience through the execution of over 20 UK, Australian and cross-border transactions for Rothschild and Coopers & Lybrand.

David is a member of the Institute of Chartered Accountants (England and Wales) and the Australian Institute of Company Directors.



Simon Lister Wallace

Non Executive Director
(Appointed 5 February, 2015)
Age: 41

Simon Wallace is a corporate lawyer having previously worked at Gadens Lawyers for many years, Simon is a founding partner of Melbourne based commercial and corporate law practice Nick Stretch Legal, established in 2010.

Simon has extensive legal and commercial proficiency, with particular expertise in the areas of project finance, fundraising and corporate governance. He also has substantial professional experience in the areas of investment banking, structured and direct equity investments, product formulation and sales.

More recently, he was a director of ASX-listed Hastings Rare Metals Limited.

Simon is admitted to practise as a barrister and solicitor of the Supreme Court of Victoria, the Federal Court of Australia and the High Court of Australia, and he holds degrees from the Australian National University in both Law and Commerce.



Michael Ian Capocchi

Managing Director
Age: 44

Michael Capocchi has 20 years' experience in the ICT industry and has held several senior management positions. Michael is now based in Chicago, USA, which places Michael closer to the important centres for satellite communications in both the USA and also UK/Europe.

Michael joined World Reach Limited as the General Manager of the subsidiary, Beam Communications Pty Ltd, in 2003 and was appointed as the Managing Director of World Reach Limited in March 2008.

Prior to joining World Reach, Michael was the Regional Sales Director for Iridium Satellite LLC, directly managing the sales, distribution and channel management strategies for the Asia-Pacific region.

Michael has also held senior management positions as the Sales and Marketing Director of Pacific Internet responsible for establishing the Australian operations of the company and with Optus Communications and Myer Stores Limited.

Michael Capocchi is an integral part of the World Reach business, including managing the day to day operations of the group.



Carl Cheung Hung

Non Executive Director
Age: 31

Carl has a Bachelor of Commerce degree from the University of British Columbia and an Executive Masters of Business Administration from University of Western Ontario's (UWO) Richard Ivey School of Business. He is a Six Sigma Black Belt certified by SGS. He is also a Certified Management Accountant.

Carl is President and CEO of Season Group International Inc, a global Electronic Manufacturing Services provider. He has helped grow the company from USD15 million in 2002 to USD132 million in 2014, expanding the company's footprint from China, Canada and Malaysia to include the USA, Mexico and UK.

Season Group has been the preferred contract manufacturer for Beam Communications Pty Ltd for several years and has been instrumental in rationalising Beam Communications' manufacturing and supply processes.

Trevor Bruce Moyle – Chairman
(Retired 18 November, 2014)

John Broadhurst Bee – Non Executive Director
(Resigned 18 November, 2014)

Indemnification of Directors and Officers

During the year, the economic entity has paid premiums in respect of an insurance contract to indemnify directors and officers against liabilities that may arise from their position as directors or officers of the economic entity. Directors and officers indemnified include the Company Secretary, all directors and all executive officers participating in the management of the economic entity.

Further disclosure required under section 300(9) of the Corporations Law is prohibited under the terms of the insurance contract.

Directorships of Other Listed Companies

Simon Wallace held the position of non-executive director of Hastings Rare Metals Ltd from 9 December 2013 to 18 November 2014. No other director of World Reach Limited has been a director of a listed company in the three years immediately before the end of the financial year.

COMPANY SECRETARY

Dennis Frank Payne has held the position of Company Secretary since 2010. Dennis joined the Company in 2005 and has also served since that date as Chief Financial Officer.

Prior to joining World Reach Limited Dennis held senior financial and commercial roles at Cadbury Schweppes and Optus Communications. He has a Bachelor of Economics and is a qualified CPA.

PRINCIPAL ACTIVITIES

The activities of the company and its controlled entities during year were the development and marketing of a range of communication products and services, mainly satellite based.



OPERATING RESULTS AND REVIEW OF ACTIVITIES

The Consolidated Group reports a total comprehensive income of \$2,012,867 for the year on total revenue of \$16,967,356 (2014: total comprehensive income of \$439,449 on revenue of \$12,630,372).

A summary of the result for the year is as follows:

	2015 \$000	2014 \$000
Revenue	16,967	12,630
<u>Deduct</u> Cost of goods sold, research & development, administrative marketing and corporate expenses	14,396	10,784
Operating profit before amortisation, depreciation, interest and tax	2,571	1,846
<u>Deduct</u> Amortisation	1,677	695
Depreciation	70	76
Interest	180	636
Profit before income tax	645	439
Tax (expense) / benefit	1,368	-
Net profit for the year	2,013	439
Total comprehensive income for the year	2,013	439

Operations and Activities FY15

The Group was very pleasingly able to continue its healthy performance from FY14 into the last financial year. The higher revenue figure for FY15 reflects the impact of sales of new products from the major development project completed in 2013/14 as well as strong continuing sales of existing products with core global distributors. To 30 June 2015, the Group has fulfilled 75% of the second order of the new products from the major development, bringing the total sales value for these products in FY15 to \$5.0m.

The higher average profit margins achieved in FY14 also continued in FY15 and together with tight control of operating costs and overheads produced an Operating Profit ahead of budget expectations. There is a mix of recurring and non-recurring profit items within the FY15 result and despite the major increase in the Company's amortisation of capitalised development projects, profit before income tax was also higher than originally anticipated. The Group has delivered 22 consecutive months of profitability. Amortisation of the capitalised cost of the major 2013/14 development project commenced in June 2014.

Amortisation will be over a 24 month period and hence FY15 recorded a cost impact of 50% of the project cost, a significant increase in amortisation over the previous year.

Financing cost savings followed the raising in August 2014 of \$2.4m in capital funds from the renounceable rights offer and the repayment of all of the Group's interest bearing debt. The revised accounting treatment for convertible notes adopted in FY14, recording notional interest (above actual interest) continued until August 2014 when the notes were either converted or repaid.

In addition to the Australian Government Research and Development cash grant of \$471,000 received in June 2014, related to expenditure in FY13, the Group received a further grant for FY14 in June 2015 of \$692,000. These grants are being brought to account over the same 24 month period as the amortisation of the capitalised development costs, which commenced in June 2014 and finishes in May 2016. Hence, only one month of the grant received in June 2015 is reflected in the FY15 profit result, with the balance apportioned over the next 11 months in FY16.

The Net Profit for the Year figure includes a significant tax benefit of \$1,406,000 following a conservative reassessment of the Group's ongoing profitability and its relationship to deferred tax assets and liabilities, in accordance with accounting standards and the Group's policy. Also included is a tax expense item of \$38,469 (2015: \$19,824, and 2014 underprovision \$18,645) in respect of the USA subsidiary company, which was established to provide administrative and technical services to the Group. Income tax is payable by the USA subsidiary as it is unable to claim against Australian deferred tax losses.

Outlook FY16

As mentioned above, the Group has fulfilled 75% of the second order for the new products from the major development project of 2013/14. The remainder of the second order will flow into the first half of FY16, bringing the total sales value for these products since first deliveries to US\$7m. The Group is anticipating further orders for these products.

The on-line business of SatPhone Shop remained steady in FY15 but is expected to contribute incremental revenue in FY16 with the addition of rental equipment and pre-paid sim cards. On-line revenue should reach \$1.0m in FY16.

The FY16 product development program will include substantial R&D investment by the Group on the major project, announced on 9 April 2015, for a new concept satellite terminal. The planning stage of the project announcement has taken longer than expected leading to lower than budgeted expenditure in the June quarter but that will increase substantially once planning is completed. It is anticipated that the investment and expenses for which the Group is responsible will be serviced from its own surplus operational revenues and cash on hand. Product revenues

from the project are expected after FY16. The minimum contracted revenue payable to the Company will be US\$3m in the first 12 months once deliveries commence.

Development expenditure in FY15 and FY16 is currently being reviewed for suitability to meet the requirements of the Australian Government Research & Development Grant. At this juncture the Group has not budgeted for the receipt of further rebates, but it may well benefit if the review and applications are ultimately successful.

The Board anticipates the FY16 profit before income tax result will be an improvement over FY15, based on its trading outlook and other positive factors such as the bringing to account of the remainder of past project based R&D grants. These profits will enhance the already much improved net asset position of the Group and, together with the resultant cash inflows, allow the Group to achieve its growth objectives and investments.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The Group completed a renounceable rights offer on 28 July 2014 with the issue of 16,000,000 new Ordinary Shares raising \$2,340,570 in capital funds (net of costs). During this process and afterwards 67 convertible notes were converted into 12,541,655 shares. Refer to Note 13 for details.

The funds raised were sufficient to repay all of the Group's interest bearing debt including the remaining convertible notes. No convertible notes are currently on issue by the Company. Refer to Note 11 for details.

The issued capital of the Company has increased by \$4,015,570 or 226% since 30 June 2014.

There were no other significant changes in the state of affairs of the Consolidated Group during the financial year.

EVENTS AFTER REPORTING DATE

There have been no significant events since 30 June 2015.

DIVIDENDS PROPOSED OR RECOMMENDED

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

ENVIRONMENTAL ISSUES

The economic entity's operations are not regulated by any significant environmental regulation under any Commonwealth, State or Territory laws.

FUTURE DEVELOPMENTS

The company will continue the development of the Satellite Communications Services and related businesses.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No ordinary shares of the Company were issued during the year ended 30 June 2015 on the exercise of options.

DIRECTORS' INTERESTS

The relevant interests of the Directors in the securities of the Company are detailed in the Remuneration Report as part of the Directors' Report.

SHARES UNDER OPTION

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

Issue Date	Date of Expiry	Exercise Price	Number Under Option
01.01.11	01.01.16	\$0.6500	67,500
01.02.12	01.02.17	\$0.4500	67,500
26.07.12	01.07.17	\$0.6500	600,000
18.12.14	18.12.16	\$0.1850	973,333
31.03.15	31.03.20	\$0.1950	884,813
			2,593,146

DIRECTORS' MEETINGS

During the year ended 30 June 2015 the Company held 16 meetings of Directors (including Audit Committee meetings). Attendances by each Director during the year were:

Director	Directors meetings		Committees	
	Attended	Maximum Possible Attended	Attended	Maximum Possible Attended
D Dawson	7	7	1	1
S Wallace	4	4	1	1
M Capocchi	12	13	0	0
C Hung	13	13	0	0
T Moyle	5	5	2	2
J Bee	5	5	2	2

REMUNERATION REPORT (Audited)

This report details the nature and amount of remuneration for each director of World Reach Limited, and for the executives receiving the highest remuneration.

Remuneration Policy

The Company is committed to remunerating its executive directors and senior executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders. The Company aims to align the interests of executive directors and senior executives with those of shareholders by remunerating through performance and long-term incentive plans in addition to fixed remuneration.

The remuneration of Non-executive Directors is determined by the Board having regard to the level of fees paid to non-executive directors by other companies of similar size and stature and in aggregate must not exceed the maximum annual amount approved by the Company's shareholders, currently \$500,000 as determined at the General Meeting held on 3 August 2007.

Senior executives' remuneration consists of the following elements:

- fixed salary;
- short-term incentive bonus where applicable based on performance;
- long-term incentive share option scheme; and
- other benefits including superannuation.

Fixed Salary

The salary of senior executives is determined from a review of the market and reflects core performance requirements and expectations. In addition, the Company considers the following:

- The scope of the individual's role;
- The individual's level of skill and experience;
- The Company's legal and industrial obligations;
- Labour market conditions; and
- The size and complexity of the Company's business.

Performance Bonus

The purpose of the performance bonus is to reward an individual's actual achievement of performance objectives and for materially improved company performance. Consequently, performance-based remuneration is paid where a clear contribution to successful outcomes for the company is demonstrated and the individual attains and excels against preagreed key performance indicators during a performance cycle.

The Managing Director has a performance bonus potential of 10% of the Group net profit for the financial year, subject to the achievement of a minimum operating profit before amortisation, depreciation, interest and tax of \$1,000,000. For FY15 the minimum target level was attained and therefore 100% of the potential performance bonus became payable. No other key management executive has a contractual performance bonus entitlement.

In assessing the relative performance of the senior executives and the Group as a whole on the primary objective of enhancing shareholder value, the board has regard to key financial indicators measured over time. In accordance with Section 300A of the Corporations Act 2001 the following table summarises the Group's performance over the last 5 years.

	2015	2014	2013	2012	2011
Net profit before tax	645	439	(835)	(249)	(184)
EBITDA (\$'000)	2,571	1,846	872	1,011	653
Basic earnings per share (cents)	(a) 5.13	3.45	(7.13)	(2.17)	(2.79)
Share price at 30 June (\$)	(a) 0.31	0.33	0.2	0.3	0.3
Market Capitalisation at 30 June (\$m)	13.38	4.83	2.34	3.44	1.97
Dividends per share	Nil	Nil	Nil	Nil	Nil

(a) Normalised figures for 2013 and 2012 (on 3 July 2012 the issued share capital of World Reach Limited was altered by consolidating every 100 shares into 1 share.

The board believes the above table illustrates the positive direction the Group has taken over the past 5 years and is reflective of the performance of senior executives during that period.

Long-term Incentives

The Company's Share Option Incentive Plan in which executive directors and senior executives may participate was approved by shareholders on 18 November 2014 and authorises the Directors to issue up to 10% of the issued shares.

The Company ensures that the payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

Announced on 26 March 2015 was the intention to issue options to key management personnel under the approved Share Options Incentive Plan. The first tranche of 884,813 options was granted and issued on 31 March 2015 (Issue WRR55, refer to Note 18 (a) (iv)). The second tranche (of identical size) was deemed by AASB 2 to have been granted in March but options have not been issued as the issue is subject to performance reviews which have not yet been completed.

Other Benefits

Senior executives are entitled to statutory superannuation and other bonus payments subject to the discretion of the Managing Director and the Board.

Employment Contracts

Employment Contracts of Senior Executives

The employment contract of the Managing Director was extended by the Company on 30 June 2014 for a further 4 years expiring on 30 June 2018. It can only be terminated by the company in the event of specified breaches by the employee or on payment of all amounts becoming due under the contract.

All other key management personnel are permanent employees.

(a) Names and positions held of consolidated group Key Management Personnel in office at any time during the financial year are

Directors

Mr D Dawson	Non-Executive Chairman (appointed 18 November, 2014)
Mr S Wallace	Non Executive Director (appointed 5 February, 2015)
Mr M Capocchi	Executive Managing Director
Mr C Hung	Non Executive Director
Mr J Bee	Non Executive Director (resigned 18 November, 2014)
Mr T Moyle	Non Executive Chairman (retired 18 November, 2014)

Other key management personnel

Mr D Payne	Chief Financial Officer and Company Secretary
Mr W Christie	Chief Technical Officer (appointed CTO on 1 August, 2014)

(b) Details of remuneration for the year

The remuneration for each director and each of the other key management personnel of the consolidated group receiving the highest remuneration during the year was as follows:

Short-term employee benefits					Post-employment benefits	Other long-term benefits	Term-ination benefits	Share-based payments			
2015	Cash salary & fees \$	Cash bonus & Commissions \$	Motor vehicle & other allowances \$	Employee benefits payable [b] \$	Super-annuation \$	Employee benefits payable \$	Eligible termination benefits \$	Options [a] \$	Total \$	Performance related %	Remuneration consisting of options %
Directors											
Mr D Dawson	18,908							22,118	41,026	0.00%	53.91%
Mr S Wallace	11,177							11,353	22,530	0.00%	50.39%
Mr T Moyle	15,333							-	15,333	0.00%	0.00%
Mr M Capocchi [c]	435,837	64,493	42,355	14,665	57,608	37,396		64,953	717,307	8.99%	9.06%
Mr J Bee	15,333							-	15,333	0.00%	0.00%
Mr C Hung	16,683							-	16,683	0.00%	0.00%
Other											
Mr D Payne	182,371	-	-	(1,489)	17,325	3,908		27,395	229,510	0.00%	11.94%
Mr W Christie	150,514	35,000	2,083	(921)	14,457	9,088		39,136	249,357	14.04%	15.69%
Total	846,156	99,493	44,438	12,255	89,390	50,392	-	164,955	1,307,079		

Short-term employee benefits					Post-employment benefits	Other long-term benefits	Term-ination benefits	Share-based payments			
2014	Cash salary & fees \$	Cash bonus & Commissions \$	Motor vehicle & other allowances \$	Employee benefits payable [b] \$	Super-annuation \$	Employee benefits payable \$	Eligible termination benefits \$	Options [a] \$	Total \$	Performance related %	Remuneration consisting of options %
Directors											
Mr T Moyle	40,000							7,370	47,370	0.00%	15.56%
Mr M Capocchi	348,755	43,945	39,790	19,400	31,390	6,445		29,820	519,545	8.46%	5.74%
Mr J Bee	40,000							9,940	49,940	0.00%	19.90%
Mr C Hung								-		0.00%	0.00%
Other											
Mr D Payne	177,014	10,000	-	(1,316)	16,375	4,837		-	206,910	4.83%	0.00%
Mr W Christie	115,000	50,000	25,000	9,720	12,487	4,175		-	216,382	23.11%	0.00%
Total	720,769	103,945	64,790	27,804	60,252	15,457	-	47,130	1,040,147		

[a] Option based compensation relates to the value of options issued to date and brought to account pro-rata to the time period from the date of issue to the date of vesting, except in the case of Director's where Accounting Standard AASB 2 requires expensing to begin from the commencement of service related to those options, not with standing that the issue of those options is subject to shareholder approval.

[b] Employee benefits payable represents net increase in benefits payable charged to the consolidated statement of profit or loss and other comprehensive income in the current year.

[c] The majority of Mr Capocchi's remuneration is in US dollars. For 2015 his remuneration has been converted into AU dollars at the exchange rate on 30 June 2015 of 0.7680.

(c) (i) Options granted as part of remuneration for the year

2015	Grant date [a]	Granted number	Value per option at grant date \$	Value of options granted during the year \$	Value of options exercised during year \$	Value of options lapsed during year \$	Total \$
Directors							
Mr D Dawson	-	-	-	-	-	-	-
Mr S Wallace	-	-	-	-	-	-	-
Mr T Moyle	-	-	-	-	-	(17,153)	(17,153)
Mr M Capocchi	-	-	-	-	-	-	-
Mr J Bee	-	-	-	-	-	(27,300)	(27,300)
Mr C Hung	-	-	-	-	-	-	-
Other							
Mr D Payne	23/03/15	381,150	0.1150	43,832	-	(6,600)	37,232
Mr W Christie	23/03/15	544,500	0.1150	62,618	-	(5,560)	57,058

2014	Grant date	Granted number	Value per option at grant date \$	Value of options granted during the year \$	Value of options exercised during year \$	Value of options lapsed during year \$	Total \$
Directors							
Mr T Moyle	-	-	-	-	-	-	-
Mr M Capocchi	-	-	-	-	-	-	-
Mr J Bee	-	-	-	-	-	-	-
Mr C Hung	-	-	-	-	-	-	-
Other							
Mr D Payne	-	-	-	-	-	(3,150)	(3,150)
Mr W Christie	-	-	-	-	-	(3,150)	(3,150)

[a] Accounting Standard AASB 2 requires the expensing of Director's options to begin from the commencement of service related to those options, notwithstanding that the issue of those options is subject to shareholder approval. Until shareholder approval is obtained the options are not deemed to be granted. Shareholder approval will be sought at the Annual General Meeting in November 2015.

(c) (ii) Options granted and/or vested during the year

Terms & conditions for each grant							
2015	Vested No.	Granted No.	Grant date [a]	Value per option at grant date \$	Exercise price \$	Expiry date	First exercise date
Directors							
Mr D Dawson	-	-	-	-	-	-	-
Mr S Wallace	-	-	-	-	-	-	-
Mr T Moyle	-	-	-	-	-	-	-
Mr M Capocchi	200,000	-	26/07/12	0.1365	0.6500	01/07/17	01/07/14
Mr J Bee	-	-	-	-	-	-	-
Mr C Hung	-	-	-	-	-	-	-
Other							
Mr D Payne	190,575	381,150	23/03/15	0.1150	0.1950	31/03/20	30/06/15
Mr W Christie	272,250	544,500	23/03/15	0.1150	0.1950	31/03/20	30/06/15
Total	662,825	925,650					

Terms & conditions for each grant							
2014	Vested No.	Granted No.	Grant date [a]	Value per option at grant date \$	Exercise price \$	Expiry date	First exercise date
Directors							
Mr T Moyle	-	-	-	-	-	-	-
Mr M Capocchi	-	-	-	-	-	-	-
Mr J Bee	-	-	-	-	-	-	-
Mr C Hung	-	-	-	-	-	-	-
Other							
Mr D Payne	-	-	-	-	-	-	-
Mr W Christie	-	-	-	-	-	-	-
Total	-	-					

[a] Accounting Standard AASB 2 requires the expensing of Director's options to begin from the commencement of service related to those options, notwithstanding that the issue of those options is subject to shareholder approval. Until shareholder approval is obtained the options are not deemed to be granted. Shareholder approval will be sought at the Annual General Meeting in November 2015.

For further details relating to options, refer to Note 17 to the financial statements.

(d) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each key management person including their personally related parties is set out below.

2015	Balance 1.07.14	Granted as Remuneration [a], [b]	Issued as Equity Investment	Options Exercised	Options Lapsed	Balance 30.06.15	Total Vested 30.06.15	Exercisable 30.06.15	Unexer- cisable 30.06.15 [b]
Directors									
D Dawson	-	-	-	-	-	-	-	-	-
S Wallace	-	-	-	-	-	-	-	-	-
T Moyle	200,000	-	-	-	(200,000)	-	-	-	-
M Capocchi	705,000	-	-	-	(105,000)	600,000	200,000	200,000	400,000
J Bee	200,000	-	-	-	(200,000)	-	-	-	-
C Hung	260,000	-	-	-	(260,000)	-	-	-	-
Other									
Mr D Payne	62,500	381,150	-	-	(42,500)	401,150	210,575	210,575	190,575
Mr W Christie	48,167	544,500	-	-	(23,167)	569,500	297,250	297,250	272,250
Total	1,475,667	925,650	-	-	(830,667)	1,570,650	707,825	707,825	862,825

2014	Balance 1.07.13	Granted as Remuneration	Issued as Equity Investment	Options Exercised	Options Lapsed	Balance 30.06.14	Total Vested 30.06.14	Exercisable 30.06.14	Unexer- cisable 30.06.14
Directors									
T Moyle	200,000	-	-	-		200,000	-	-	200,000
M Capocchi	705,000	-	-	-		705,000	105,000	105,000	600,000
J Bee	200,000	-	-	-		200,000	-	-	200,000
C Hung	-	-	260,000	-		260,000	260,000	260,000	-
Other									
D Payne	77,500	-	-	-	(15,000)	62,500	62,500	62,500	-
W Christie	63,167	-	-	-	(15,000)	48,167	48,167	48,167	-
Total	1,245,667	-	260,000	-	(30,000)	1,475,667	475,667	475,667	1,000,000

[a] On 23 February 2015 the Company announced its intention to issue options to Non Executive Directors and on 26 March 2015 to the Managing Director, subject to shareholder approval. Accounting Standard AASB 2 requires expensing to begin from the commencement of service related to those options, notwithstanding that the issue of those options is subject to shareholder approval and the options have not been granted or issued.

The number of options announced were: D Dawson 400,000, S Wallace 200,000 and M Capocchi 907,500.

[b] Also announced on 26 March 2015 was the intention to issue options to key management personnel under the approved Employee Share Option Plan. The first tranche of 884,813 options was granted and issued in March 2015 (Issue WRR55, refer to Note 18 (a) (iv)). The second tranche (of identical size) was deemed by AASB 2 to have been granted in March but options have not been issued as the issue is subject to performance reviews which have not yet been completed. The number of options granted to D Payne and W Christie under both tranches is shown in the table above. The number of options under tranche 2 is shown as unexercisable at 30 June 2015.

(e) Share Holdings

The number of shares in the Company held during the financial year by each key management person including their personally related parties are set out below.

2015	Balance 1.07.14	Received as Remuneration	Options Exercised	Net Change Other [a]	Balance 30.06.15
Directors					
D Dawson	-	-	-	300,000	300,000
S Wallace	-	-	-	-	-
Mr T Moyle	-	-	-	-	-
Mr M Capocchi	75,228	-	-	1,137,017	1,212,245
Mr J Bee	720,000	-	-	(720,000)	-
Mr C Hung	-	-	-	9,243,207	9,243,207
Other					
Mr D Payne	120,237	-	-	208,333	328,570
Mr W Christie	62,778	-	-	-	62,778
Total	978,243	-	-	10,168,557	11,146,800

2014	Balance 1.07.13	Received as Remuneration	Options Exercised	Net Change Other [a]	Balance 30.06.14
Directors					
T Moyle	-	-	-	-	-
M Capocchi	75,228	-	-	-	75,228
J Bee	720,000	-	-	-	720,000
C Hung	-	-	-	-	-
Other					
D Payne	120,237	-	-	-	120,237
W Christie	62,778	-	-	-	62,778
Total	978,243	-	-	-	978,243

[a] Net Change Other refers to shares purchased or sold on-market or off-market at current market prices during the financial year, or participation in the renounceable rights issue in July 2014 either following conversion of convertible notes or by the holding of existing shares.

(f) Convertible notes

The number of convertible notes issued, sold or matured during the financial year to each key management person including their personally related parties is set out below.

2015	Balance 1.07.14 No.	Notes issued		Notes Sold, Converted or Matured	Balance 30.06.15	
		No.	Total Face Value \$		No.	Total Face Value \$
Directors						
D Dawson	-	-	-	-	-	-
S Wallace	-	-	-	-	-	-
Mr T Moyle	-	-	-	-	-	-
Mr M Capocchi	14	-	-	14	-	-
Mr J Bee	-	-	-	-	-	-
Mr C Hung	26	-	-	26	-	-
Other						
Mr D Payne	1	-	-	1	-	-
Mr W Christie	-	-	-	-	-	-
Total	41			41		

2014	Balance 1.07.13 No.	Notes issued		Notes Sold, Converted or Matured	Balance 30.06.14	
		No.	Total Face Value \$		No.	Total Face Value \$
Directors						
Mr T Moyle	-	-	-	-	-	-
Mr M Capocchi	14	-	-	-	14	350,000
Mr J Bee	-	-	-	-	-	-
Mr C Hung	26	-	-	-	26	650,000
Other						
D Payne	2	-	-	1	1	25,000
W Christie	-	-	-	-	-	-
Total	42	-	-	1	41	1,025,000

(g) [Loans and transactions](#)

Mr C Hung is a director of the company, and is also the President of the Season Group. During the year ended 30 June 2015 the company subcontracted manufacturing on an arms length basis to the Season Group, in accordance with a contract signed prior to his appointment as director. Transactions between the company and the Season Group are on normal commercial terms and conditions no more favourable than those available to other parties.

(h) [Shares issued on exercise of remuneration options](#)

No options were exercised by key management personnel during the financial year ended 30 June 2015 and comparative year ended 30 June 2014.

(i) [Voting and comments made at the Company's 2014 Annual General Meeting \(AGM\)](#)

At the Company's most recent AGM, a resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report at the AGM.

NON AUDIT SERVICES

No non audit services were undertaken by the external auditors during the year ended 30 June 2015.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration is attached and forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors dated 21 September 2015.

Mr David Dawson
Chairman



RSM Bird Cameron Partners
Level 21, 55 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007
T +61 3 9286 8000 F +61 3 9286 8199
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION

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

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Jason Croall

J S CROALL
Partner
Melbourne, VIC

Dated: 21 September 2015



CORPORATE GOVERNANCE

The Directors of World Reach Limited (Company) are committed to protecting and enhancing shareholder value and conducting the company's business ethically and in accordance with the highest standards of corporate governance.

In accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: 3rd Edition (the Principles), the corporate governance statement reports on the Company's adoption of the Principles on an exception basis. This statement provides specific information whereby disclosure is required of any recommendations that have not been adopted by the Company, together with the reasons why they have not been adopted. The Company's corporate governance principles and policies are therefore structured with reference to the Principles, which are as follows:

- 1. Lay solid foundations for management and oversight.
- 2. Structure the Board to add value.
- 3. Act ethically and responsibly.
- 4. Safeguard integrity in corporate reporting.
- 5. Make timely and balanced disclosure.
- 6. Respect the rights of security holders.
- 7. Recognise and manage risk.
- 8. Remunerate fairly and responsibly.

1. Lay Solid Foundations for Management and Oversight

Recommendation 1.1: The Board and Senior Management – Roles and Responsibilities Board Processes

The Board recognises that its responsibilities should accord with the following general principles:

- the Board should be made up of a majority of Independent Directors;
- the Chairman of the Board should be an Independent Director;
- the roles of Chairman and Chief Executive Officer should not be exercised by the same person;
- the Board should meet on a monthly basis;
- all available information in connection with items to be discussed at a meeting of the Board shall be provided to each Director prior to that meeting; and
- Directors are entitled to seek independent professional advice.

To assist in the execution of its responsibilities the Board has established an Audit Committee with a formalised charter and operating principles. Activities which may be conducted by separate committees in a larger company such as Directors Nomination, Risk Management and Remuneration are dealt with by the full Board as separate and specific agenda items in accordance with the principles and policies set down in the Company's corporate governance programme.

The Company has adopted a Board Charter which details the functions and responsibilities of the Board of Directors. A copy of the Board Charter is on the Company's website. The employment contract between the Company and the Chief Executive Officer and the letter of engagement for the Chief Financial Officer and senior executives details the terms of employment, job specifications and responsibilities.



The Role of the Board of Directors

The World Reach Board is responsible to its shareholders for the protection and enhancement of long term shareholder value.

To fulfil this role the Board is responsible for:

- oversight of the Group, including its controls, risk management, financial structures and accountability systems;
- setting strategic direction for management with a view to maximising shareholder value;
- input into and final approval of strategic plans and goal and performance objectives and key operational and financial matters;
- determining dividend payments;
- selecting, appointing and reviewing the performance of the Chief Executive Officer (CEO);
- ratifying the appointment and, where appropriate, the removal of the Chief Financial Officer (CFO) and Company Secretary;
- approval of annual and half yearly financial reports and related Australian Stock Exchange reports;
- selecting and appointing new non-executive directors;
- approving major capital expenditure and acquisitions;
- evaluating the Board's performance and that of individual directors;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring appropriate resources are available;
- dealing with approaches to take over the company; and
- approving and monitoring financial and other reporting.

Chairman's Appointment and Responsibilities

The Chairman is appointed by the board from the nonexecutive directors. The Chairman:

- provides appropriate leadership to the board and the Company;
- ensures membership of the board is balanced and appropriate for the Company's needs;
- facilitates board discussions to ensure the core issues facing the organisation are addressed;
- maintains a regular dialogue and mentor relationship with the Chief Executive Officer;
- monitors board performance; and
- guides and promotes the on-going effectiveness and development of the board and individual directors.

Conduct of Board Business

The Board normally holds monthly formal board meetings and will also meet whenever necessary to carry out its responsibilities. In the year ended 30 June 2015, the Board and/or its committees met 16 times. When conducting Board business, Directors have a duty to question, request information, raise any issue of concern, and fully canvas all aspects of any issue confronting the Company and vote on any resolution according to their own judgment. Directors keep confidential board discussions, deliberations and decisions that are not publicly known.

Access to Information

Directors are encouraged to access members of the senior management team at any time to request relevant information in accordance with protocols adopted by the Board. Where Directors perceive an irregularity in a Company related matter, they are entitled to seek independent advice at the Company's expense. Directors must ensure that the costs are reasonable and must inform the Chairman before the advice is sought. The advice must be made available to the rest of the Board.





Independent Professional Advice

Each Director has the right to seek independent legal and other professional advice at the Company’s expense concerning any aspect of the Company’s operations or undertakings in order to fulfil their duties and responsibilities as directors.

Conflicts of Interest

Directors are required to continually monitor and disclose any potential conflicts of interest that may arise. Directors must:

- disclose to the Board any actual or potential conflicts of interest that may exist as soon as the situation arises;
- take necessary and reasonable steps to resolve any conflict of interest within an appropriate period, if required by the Board or deemed appropriate by that director; and
- comply with the Corporations Act requirements about disclosing interests and restrictions on voting.

Directors should discuss with the Chairman any other proposed Board or executive appointments they are considering undertaking and advise the Company of their appointments to other companies as soon as possible after the appointment is made.

The same requirement exists for related party transactions including financial transactions with the Company. Related party transactions are reported in writing to the Company Secretary and where appropriate, raised for consideration at the next board meeting.

Retirement of Directors

One-third of the Directors are required to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire at the third AGM since last elected or re-elected. A Director appointed as an additional or casual director by the Board will hold office until the next AGM when the Director may be re-elected. This re-election will be in addition to any rotational retirements.

A CEO, if also a Managing Director, is not subject to retirement by rotation and is not to be taken into account in determining the rotation of retirement of Directors.

Functions of Senior Executives

The Chief Executive Officer reports to the Board and is responsible for the operation and administration of the Company including the implementation of the Company’s strategies, plans, policies and control programmes. He is supported by a management team whose responsibilities are delineated by formal authority delegations. The team meets regularly to coordinate activities and to review and monitor performance.

Recommendation 1.2: Board Nominations

Appointment of Directors

The Company has not established a nomination committee for recommending the appointment of Directors.

Given the nature and size of the Company, the Board considers that as a 4 member Board of a small public company the selection and appointment of Directors is such an important task that it should be the responsibility of the entire Board to consider the nominations process. The structure of the Board is reviewed annually as to qualifications, skills, experience and diversity to ensure the Board has an appropriate mix. In a 4 member Board the highest requirement is for appropriate skill. Where a vacancy exists or there is a need for particular skills, the Board will determine the selection criteria and identify and appoint a suitable candidate.

The Company will undertake appropriate checks before appointing a person, or putting forward a candidate for election as a Director, and provide shareholders with this information. Candidates will be assessed through interviews, meetings and background reference checks as appropriate. External advisors may be used in this process.

The Company will provide shareholders with all material information in its possession relevant to the decision on whether or not to elect (or re-elect) a Director, either in the notice of the meeting at which the election of the Director is to be held, or by including in the notice a clear reference to the location on the Company’s website, Annual Report or other document lodged with ASX where the information can be found. Directors appointed by the Board must stand for

reelection at the next meeting of shareholders.

Further information regarding Director nominations can be found in the Company’s Election of Directors Policy as posted on the Company’s website.

Recommendation 1.3: Terms of Appointment – Directors and Senior Executives

Each new Non-Executive Director will receive a letter formalising their appointment and outlining the material terms of their appointment. Non-Executive Directors of the Company have not been appointed for fixed terms. Senior Executives will generally have written employment agreements with the Company setting out their duties, obligations and remuneration.

The remuneration paid/payable to the Company’s ‘key management personnel’ is outlined within the Remuneration Report in the Company’s latest Annual Report.

Recommendation 1.4: The Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the systems and processes that are appropriate for the Board to fulfil its role. The Company Secretary is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX.

Recommendation 1.5: Diversity Policy

The Company has taken measures to establish a corporate culture in which the principles of diversity are embedded. By promoting and supporting transparent recruiting processes, flexible work practices, an enlightened code of conduct, equal employment opportunity policies and clear reporting of outcomes, the Board feels that the objectives of diversity will be achieved. The results of recruiting and the composition of staff are reported by the Chief Executive Officer and reviewed at monthly Board meetings.

The Board, at this time, has not established an explicit policy on diversity or measureable objectives for achieving gender

diversity. Because of the size of the Company 32 staff including Board members, as at the date of this report), the Board is of the view that the scale and nature of the Company’s operations does not currently lend itself to an effective and meaningful application of a targeted diversity policy.

Rather, the Board recognises the positive benefits for the organisation of increased diversity, especially gender, and has sought to integrate diversity objectives within the existing policies and procedures of the Company. The Board intends to reconsider the adoption of a formal diversity policy periodically.

At the date of this report the Company has a total staff excluding Board members of 28 employees of which 21 % (6 employees) are women. The Senior Executive team is made up of 5 managers including one female. At this time there are no women on the Board which comprises 4 members.

Recommendation 1.6 and 1.7 – Performance Review and Evaluation

Evaluation of Directors Performance

The Board has adopted a self-evaluation process to measure its own performance and the performance of its Committees.

On an annual basis, the Chairman facilitates a discussion and evaluation of the Board’s performance in accordance with this process. This includes discussions about the Board’s role, processes, performance and other relevant issues. Each Director’s performance is reviewed by the Chairman and Board prior to the Director standing for re-election. Performance evaluations will take place during September at the same time as those for all staff members.

If the contribution of a Non-Executive Director appears to a majority of Directors to be less than adequate, they may direct the Chairman to inform that Director accordingly and ask that person to consider his or her position on the Board. If the Director takes no action in response, a circulated minute signed by a majority of Directors will authorise the Company Secretary to inform the shareholders that the Board will not support the re-election of the Director at the general meeting where they are next due to offer for re-election.

Evaluating the Performance of Senior Executives

Arrangements put in place by the Board to monitor the performance of the Group's key executives include:

- regular monthly reporting submitted to the Board and attendance at all Board Meetings by the Chief Executive Officer and Chief Financial Officer;
- a review by the Board of the Group's financial performance and revised forecast results on a monthly and annual basis at Board meetings at which reports are presented by the key executives; and
- an evaluation of the detailed presentations made by the Chief Executive Officer and his direct reports during business planning / strategy meetings which are at least biannual.

2. Structure Board to Add Value

Recommendation 2.1: Nomination Committee

Due to the small size of the Board and the Company's current level of operations, the Company does not have a separate nomination committee.

Recommendation 2.2: Skills, Knowledge and Experience

Directors are appointed based on the specific business, industry and governance skills and experience as required by the Company. The Board recognises the need for Directors to have a relevant and applicable range of skills and personal experience in a range of disciplines as required for the proper management and oversight of the Company's operations, as having regard to the scale and nature of its activities.

The Board seeks to ensure that its membership includes an appropriate mix of Directors with experience in equity, capital markets, corporate finance, legal, operations, sales and marketing.

Recommendations 2.3 and 2.4: Independent Directors

Directors Independence

At the date on which the Directors' report is made out, the Company has a four member Board consisting of three Non-Executive Directors. Two of the three Non-Executive Directors are considered by the Board to be independent. In the interest of clear disclosure:

- Mr Carl Hung, a non-executive Director, is also the President and CEO of Season Group. The Company has subcontracted manufacturing on an arms-length basis to Season Group and Mr Hung, through SGV1 Holdings Limited, holds an interest at the date of this report in 21.41% of the Company's issued shares and is thereby a substantial holder.

The names, qualifications and experience of each Director of the Company are detailed in the Directors Report in the Annual Report.

Recommendation 2.5: Independent Chairman

The Chairman, Mr David Dawson, is also an independent Non-Executive Director of the Company. Mr Dawson was appointed as Chairman of the Company on 18 November 2014, based on his extensive experience in private equity and corporate finance, and his successful track record of working closely with shareholders, boards and management teams.

The Chief Executive Officer of the Company is Mr Michael Capocchi.

Recommendation 2.6: Induction of New Directors

The Company has a program for inducting new Directors. This includes giving new Directors a full briefing about the nature of the business, current issues, the corporate strategy and the expectations of the Board concerning the performance of the Directors and access to all employees to



gain full background to the Company's operations. Directors are encouraged to attend director training and professional development courses, as may be required to enable them to develop and maintain the skills and knowledge needed to effectively perform their roles as Directors, at the Company's expense (as approved by the Chairman and or the Board, as appropriate and applicable).

3. Act Ethically and Responsibly

Recommendation 3.1: Act Ethically and Responsibly Code of Conduct

As part of the Board's commitment to the highest standard of personal and corporate behaviour, the Company adopts a Code of Conduct to guide executives, management and employees in carrying out their duties and responsibilities. The code of conduct covers such matters as:

- responsibilities to shareholders;
- compliance with laws and regulations;
- relations with customers and suppliers;
- ethical responsibilities including responsibility for reporting and investigating unethical practices;
- employment practices including a fair and open approach to all forms of diversity; and
- responsibilities to the environment and the community.

The Code of Conduct is available at the Company's website.

The Company's objective is to maintain and further develop its business to increase shareholder value while also adding value for customers, employees and other stakeholders. To ensure this occurs, the Group conducts its business within the Code of Ethics, documented and outlined in the Company's Code of Conduct, and the Group's core values which are to:

- act with integrity and fairness;
- create a safe, challenging and fun workplace;

- encourage a corporate culture which embraces diversity;
- recognise the needs of the community;
- protect the environment;
- be commercially competitive;
- foster a performance driven culture; and
- encourage innovation and technical leadership.

4. Safeguard Integrity in Corporate Reporting

Recommendation 4.1: Audit Committee

The Board has established an Audit Committee to consider certain issues and functions in further detail. The chairman of the Audit Committee reports to the Board on any matters of substance at the next full board meeting. The Audit Committee has its own terms of reference, approved by the Board and reviewed annually, with additional review when appropriate.

The members of the Committee at the date of this report are Mr David Dawson and Mr Simon Wallace. Simon Wallace is the current Chairman of the Audit Committee. Details of the qualifications, experience and attendance at Committee meetings by each Committee Member is included in the Directors Report in the Annual Report.

The ASX Corporate Governance Council has made recommendations for the composition of the Audit Committee:

- the Committee should consist only of nonexecutive Directors;
- it should have a majority of Independent Directors;
- it should be chaired by an independent Director who is not Chairman of the Board;
- the Committee should have at least 3 members.





While recognising these recommendations, the Board is restricted by having only four Board members. The two independent directors on the Board are members of the Audit Committee.

The Audit Committee assists the Board to discharge its corporate governance responsibilities, in regard to the business' relationship with, and the independence of, the external auditors. It especially:

- recommends appointment of external auditors and fees;
- ensures reliability and integrity of disclosure in the financial statements and external related financial communications, although ultimate responsibility rests with the full Board;
- reviews compliance with statutory responsibilities;
- reviews budgets and accounting policy;
- ensures maintenance of an effective framework of business risk management including compliance and internal controls and monitoring of the internal audit function;
- reviews adequacy of the Company's insurance program, including directors' and officers' professional indemnity and other liability insurance cover;
- promotes and ensures an ethical financial culture is embedded throughout the Company;
- undertakes any special investigations required by the Board.

The Audit Committee provides a forum for the effective communication between the Board and external auditors. The Committee reviews:

- the annual and half-year financial report prior to their approval by the Board;
- the effectiveness of management information systems and systems of internal control; and
- the efficiency and effectiveness of external audit functions, including reviewing the respective audit plans.

The Committee invites the CEO, the CFO, the Company's remaining Director and the external auditors to attend Committee meetings where appropriate. The Committee also meets with and receives regular reports from the external auditors concerning any matters which arise in connection with the performance of their respective roles, including the adequacy of internal controls.

The Company's Audit Committee met 3 times during the course of the financial year ended 30 June 2015.

The Company's Audit Committee has a formal charter setting out the Committee's role and responsibilities. The charter is posted on the Company's website.

Recommendation 4.2: Approval of Financial Statements

The Board receives regular reports about the financial condition and operational results of the Company and its controlled entities. The CEO and CFO periodically provide formal statements to the Board that, in all material aspects, the Company's financial statements present a true and fair view of

the Company's financial condition and operational results.

The CEO and the CFO each provide declarations to the Board in accordance with Section 295A of the Corporations Act 2001 confirming that in their opinion, with regard to risk management and internal compliance and control systems:

- the statements made with respect to the integrity of financial statements and notes thereto are founded on a sound system of risk management and internal control systems which, in all material respects, implement the policies adopted by the Board of Directors;
- the risk management and internal control systems are operating effectively and efficiently in all material respects in relation to financial reporting risks.

Auditor independence

Best practice in financial and audit governance is rapidly evolving and the independence of the external auditor is particularly important to shareholders and the Board. To ensure that the Company's practices are up to date, the Board has adopted a Charter of Auditor Independence that is reviewed regularly to keep it in line with emerging practices domestically and internationally.

The key points covered by the Charter include:

- Rotation of the senior audit partner every five years;
- Annual confirmation by the auditor that it has satisfied all professional regulations relating to auditor independence;
- Half yearly reporting on the levels of audit and non-audit fees; and
- Specific exclusion of the audit firm from work which may give risk to a conflict.

Recommendation 4.3: Auditor attendance at AGM

The Company's external Auditor attends the Company's AGMs and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report.

5. Make Timely and Balanced Disclosure

Recommendation 5.1: Continuous Disclosure Policy

The Board and senior management are aware of the continuous disclosure requirements of the ASX and have written policies and procedures in place, including a Continuous Disclosure Policy.

The guiding principle of this policy is that the Company must immediately notify the market via an announcement to the ASX of any information concerning the Company that a reasonable person would expect to have a 'material' effect on the price or value of the Company's securities.

The Board must ensure that Company announcements:

- are made in a timely manner;
- are factual;

- do not omit material information;
- are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

Where that information, however, is incomplete or confidential, or its disclosure is illegal, no disclosure is required. The Directors and senior management of the Company ensure that the Company Secretary is aware of all information to be presented at briefings with analysts, stockbrokers, shareholders, the media and the public. Prior to being presented, information that has not already been the subject of disclosure to the market and is not generally available to the market is the subject of disclosure to the ASX. Only when confirmation of receipt of the disclosure and release to the market by the ASX is received may the information be presented.

If the Company becomes aware of market-sensitive information which ought to be disclosed, but the Company is not in a position to issue an announcement promptly and without delay, the Company may request that the ASX grant a trading halt or suspend the Company's securities from quotation. Management of the Company may consult external professional advisers and the ASX in relation to whether a trading halt or suspension is required.

The Company's Policy Continuous Disclosure Policy is available on the Company's website.

6. Respect the Rights of Security Holders

Recommendation 6.1: Communication to Shareholders and Investors

The Company is committed to increasing the transparency and quality of its communication and to be regarded by our shareholders as an outstanding corporate citizen. Our approach to communication with shareholders and financial markets is set out in the Company's Shareholder Communication Strategy document.

Information is communicated to shareholders through the distribution of the Company's Annual Report and other communications. All significant information is posted on the Company's website as soon as it is disclosed to the ASX. All investors will have equal and timely access to information on the Company's financial position, performance, ownership and governance. Shareholders who wish to send and receive communications with the Company electronically should contact the Company Secretary, Mr Dennis Payne.

The Company ensures that shareholders are informed of all major developments affecting the Group promptly through the issue of ASX announcements and commentary on operations in quarterly reports. All ASX announcements and quarterly reports are posted on the ASX website for the Company and on the Company's website.

All shareholders receive copies of shareholders notices by email or post and a copy of the annual report is distributed to all shareholders who elect to receive one (hardcopy in the mail

or electronically). The Company's most recent annual report is also available on the Company's website.

Website Information

The Company has established a website at www.worldreach.com.au, where shareholders can access information about the Company's corporate governance policies and practices. Information lodged on this website in a specific corporate governance section includes:

- Board Charter
- Audit Committee Charter
- Risk Management Policy
- Remuneration Policy
- Securities Trading Policy
- CEO and CFO Declarations
- Whistle Blower Policy
- Code of Conduct
- Election of Directors Policy
- Disclosure Policy
- Shareholder Communication Policy
- Health and Safety Policy
- Environmental and Community Relations Policy
- Corporate Ethics Policy
- Related Parties and Conflicts Policy
- Audit Independence Charter

Recommendation 6.2 Investor Relations Program

Two-way communication between the Company and its shareholders is facilitated primarily via the Company's AGM. The Board encourages shareholder participation at the AGM and other general meetings of the shareholders. The Chairman encourages questions and comments from shareholders and seeks to ensure that shareholders are given ample opportunity to participate. Shareholders who are unable to attend the AGM or a general meeting may submit questions and comments before the meeting to the Company and/or to the Auditor (in the case of the AGM).

Recommendation 6.3: Shareholders Participation at General Meetings

All shareholders are encouraged to attend and participate in shareholder meetings. All Directors, senior managers, Auditors and the Company Secretary attend these meetings and respond to shareholder questions in relation to specific agenda items and general business. The Annual General Meeting features an address by the Chairman and an extensive presentation by the CEO which is also released as an ASX announcement for shareholders who cannot attend the meeting.

A description of the arrangements the Company has to promote communications with shareholders is detailed in the Shareholder Communication Policy, available at the Company's website.

Recommendation 6.4: Electronic Communication

Shareholders may elect to send communication to and receive communications from the Company and its Share Registry electronically. The contact email address for the Company is info@worldreach.com.au and shareholders may submit electronic queries to the Company's Share Registry via its website www.linkmarketservices.com.au.

7. Recognise and Manage Risk

Recommendation 7.1: Risk Committee

Due to the size of the Company and the nature of the Company's operations, a formal Risk Committee has not been established. The Board is responsible for ensuring appropriate measures are in place in order to manage risk in line with the Company's risk strategy. An external consultant has assisted the Board in this process.

The Board has required management to implement internal control systems to manage the Company's material business risks and to report on whether risks are being effectively managed.

Arrangements put in place by the Board to monitor risk include:

- review of risk areas at monthly Board meetings;
- regular monthly reporting to the Board in respect of operations, the financial position of the Company and new contracts;
- reports by the Chairman of the Audit Committee;
- attendance and reports by the Managing Director, CFO and the Company's management team at Board Meetings;
- any Director may request that operational and project audits be undertaken either internally or be external consultants.

Recommendation 7.2: Risk Management Framework

The Company has implemented a risk management program that enables the business to identify and assess risks, respond appropriately and monitor risks and controls.

The Company is exposed to risk from operations (employee health and safety, environmental, insurance, litigation, disaster, business continuity), compliance issues and financial risks (interest rate, foreign currency, credit and liquidity). To mitigate these risks, the Company has established risk and assurance policies and procedures, which aim to:

- assist management to discharge its corporate and legal responsibilities; and
- assure management and the Board that the framework is effective.

Responsibility for control and risk management is delegated to the appropriate levels of management within the Company and the Managing Director has ultimate responsibility to the Board for risk management and control. Areas of significant business risk to the Company are detailed in the Business

plan presented to the Board by the Managing Director at the start of each year. The Board reviews and approves the parameters under which significant business risks will be managed before adopting the Business Plan. Risk parameters and compliance information are reported monthly to the Board by the Managing Director and CFO.

The Board has adopted reporting procedures which allow it to:

- monitor the Company's compliance with the continuous disclosure requirements of the ASX; and
- assess the effectiveness of its risk management and control framework.

The Company's Risk Management Policy is available on the Company's website.

Recommendation 7.3: Internal Audit Function

The Audit Committee assists the Board in fulfilling its responsibilities in this regard by reviewing the financial and reporting aspects of the Group's risk management and control framework.

The Audit Committee meets regularly to ensure, amongst other things, that the risk management internal control structures and compliance with laws and regulations are operating effectively. Details of the Audit Committee are also set out in the Risk Management Policy, available at the Company's website.

Recommendation 7.4: Exposure to Risks

The Company regularly undertakes reviews of risks that may be material to its business. The review examines the processes and procedures that the Company must initiate to control and/or mitigate these risks from impacting upon the performance of the Company.

8. Remunerate Fairly and Responsibly

Recommendation 8.1: Remuneration Committee

The Board considers that, due to its small size, all members of the Board should be involved in determining remuneration levels. Accordingly it has not established a separate remuneration committee. Instead time is set aside at two Board meetings each year specifically to address the matters usually considered by a remuneration committee. Executive Directors absent themselves during discussion of their remuneration.

At these two meetings the Board reviews the following:

- the Company's remuneration, recruitment, retention and termination policies and procedures for senior executives
- senior executives remuneration and incentives
- superannuation arrangements
- remuneration framework for Directors
- remuneration by gender.

Recommendation 8.2: Remuneration of Executive and Non-Executive Directors

The remuneration structure of Non-Executive directors and executives is disclosed in the Remuneration Report within the Directors' Report in the Annual Report. The remuneration of Non-executive Directors is determined by the Board having regard to the level of fees paid to non-executive directors by other companies of similar size and stature.

The aggregate amount payable to the Company's Non-executive Directors must not exceed the maximum annual amount approved by the Company's shareholders, currently \$500,000 as determined at the General Meeting held on 3 August 2007.

The Company is committed to remunerating its Executive Directors and senior executives in a manner that motivates them to pursue the long-term growth and success of the Company and is consistent with best practice. The Company aims to align the interests of Executive Directors and senior executives with those of shareholders through short-term and long-term incentive plans which demonstrate a clear relationship between performance and remuneration. Consequently, Executive Directors and senior executives' remuneration consists of the following elements:

- fixed salary;
- short-term incentive bonus based on performance;
- long-term incentive share/option scheme; and
- other benefits including superannuation.

Fixed Salary

The salary of Executive Directors and senior executives is determined from a review of the market and reflects core performance requirements and expectations. In addition, the Company considers the following:

- the scope of the individual's role;
- the individual's level of skill and experience;
- the Company's legal and industrial obligations;
- labour market conditions; and
- the size and complexity of the Company's business.

Performance Bonus

The purpose of the performance bonus is to reward actual achievement by the individual of performance objectives and for materially improved company performance. Consequently, performance-based remuneration is paid where a clear contribution to successful outcomes for the Company is demonstrated and the individual attains and excels against pre-agreed key performance indicators during a performance cycle.

Other Benefits

Senior executives are entitled to statutory superannuation and other bonus payments subject to the discretion of the Board.

Long-Term Incentives

The Company has a share options scheme which is discussed further below which is designed to provide long-term incentives to senior executives.

Termination Payments

Senior executives may be entitled to a payment upon termination of employment from the Company. Where so entitled, the termination payment has been agreed in the senior executive's contract of employment and it is not payable where termination of employment is for misconduct.

Further details in relation to the Company's remuneration policies are contained in the Remuneration Report within the Director's Report in the Annual Report. The Company's Remuneration Policy is available on the Company's website.

Recommendation 8.3: Equity Based Remuneration

Long-Term Incentives

The Company has a share option scheme in which senior executives may be invited to participate. The Share Option Incentive Plan was approved by shareholders on 18 November 2014 and authorises the Directors to issue options up to 10% of the shares issued by the Company. The number of shares and options issued under the scheme is reasonable in relation to the existing capitalisation of the Company and all payments under the scheme are made in accordance with thresholds set in plans approved by shareholders. Any issue of Options to Executive and Non-Executive Directors must be approved by Shareholders.

The Company has a Share Trading Policy which aims to:

- protect stakeholders' interests at all times;
- ensure that directors and employees do not use any information they possess for their personal advantage or the Company's detriment; and
- ensure that Directors and employees comply with insider trading legislation of the various jurisdictions in which transactions may take place.

Purchase or sale of the Company's shares and/or options over such shares by Directors, executives and staff of the Company should only occur in circumstances where the market is considered to be fully informed of the Company's activities. This policy requires that the relevant person notify the Company Secretary of their intention to trade in the Company's shares and/or options over such shares prior to the transaction and that the Company Secretary be required to discuss the proposed trading intentions with the Chairman. The Board recognises that it is the individual responsibility of each Director to comply with this policy. Breaches of this policy may lead to disciplinary action being taken, including dismissal in serious cases. The Company's Employee Share Trading Policy is available on the Company's website.

The Corporations Act prohibits the key management personnel of an ASX listed company established in Australia, or a closely related party of such personnel, from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock.



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

	Note	Year ended	
		30 June 2015 \$	30 June 2014 \$
Revenue	2(a)	16,967,356	12,630,372
Changes in inventories of raw materials, finished goods and work in progress		308,624	810,431
Raw materials, consumables and other costs of sale	2(b)	(9,430,783)	(8,053,701)
Employee benefits expense		(2,978,467)	(1,965,771)
Depreciation expense	7(a)	(69,847)	(75,575)
Amortisation expense	9(a)	(1,677,244)	(695,243)
Finance costs expense	2(c)	(180,137)	(636,292)
Auditor remuneration expense	19	(59,205)	(69,996)
Accounting, share registry and secretarial expense		(106,837)	(71,653)
Consultancy and contractor expense		(342,767)	(256,238)
Legal, insurance and patent expense		(141,976)	(169,966)
Other expenses	2(d)	(1,643,781)	(1,006,919)
Profit before income tax		644,934	439,449
Tax (expense) / benefit	3(a)	1,367,933	-
Net profit for the year		2,012,867	439,449
Other comprehensive income		-	-
Total comprehensive income for the year		2,012,867	439,449
Net profit and total comprehensive income are both fully attributable to owners of the Company			
Basic earnings per share (cents)	21	5.13	3.45
Diluted earnings per share (cents)	21	4.97	3.15

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	30 June 2015 \$	30 June 2014 \$
Current assets			
Cash and cash equivalents	4	3,129,286	229,592
Inventories	5	3,519,858	3,211,234
Trade and other receivables	6	2,526,124	2,694,482
Total current assets		9,175,268	6,135,308
Non-current assets			
Plant and equipment	7	93,435	98,964
Deferred tax assets	8	1,406,402	-
Intangible assets	9	1,752,419	2,913,033
Total non-current assets		3,252,256	3,011,997
Total assets		12,427,525	9,147,305
Current liabilities			
Trade and other payables	10	4,101,583	4,216,348
Other financial liabilities	11	585,937	773,045
Provisions	12	867,644	729,849
Total current liabilities		5,555,164	5,719,242
Non-current liabilities			
Other financial liabilities	11	-	2,586,157
Provisions	12	19,590	29,630
Total non-current liabilities		19,590	2,615,787
Total liabilities		5,574,754	8,335,029
Net assets		6,852,770	812,276
Equity			
Issued capital	13	5,784,925	1,769,355
Reserves		304,696	697,630
Accumulated losses		763,149	(1,654,710)
Total equity		6,852,770	812,276

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

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

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

	Issued capital \$	Reserves \$	Retained earnings / (accumulated losses) \$	Total equity \$
Balance at 1 July 2013	1,377,091	762,040	(2,433,872)	(294,741)
Total loss and comprehensive income for the year	-	-	439,449	439,449
Transactions with owners in their capacity as owners:				
- Shares issued, net of transaction costs	392,264	-	-	392,264
- Convertible note options issued	-	228,174	-	228,174
- Convertible note options lapsed	-	(322,783)	322,783	-
- Remuneration based option payments	-	47,129	-	47,129
- Adjustment for employee share options lapsed	-	(16,930)	16,930	-
Balance at 30 June 2014	1,769,355	697,630	(1,654,710)	812,276
Balance at 1 July 2014	1,769,355	697,630	(1,654,710)	812,276
Total loss and comprehensive income for the year	-	-	2,012,867	2,012,867
Transactions with owners in their capacity as owners:				
- Shares issued, net of transaction costs	2,340,570	-	-	2,340,570
- Convertible notes converted to shares	1,675,000	-	-	1,675,000
- Convertible note options lapsed/redeemed	-	(558,579)	3 41,316	(217,263)
- Remuneration based option payments	-	229,320	-	229,320
- Adjustment for employee share options lapsed	-	(63,675)	63,675	-
Balance at 30 June 2015	5,784,925	304,696	763,149	6,852,770

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

		Year ended	
	Note	30 June 2015 \$	30 June 2014 \$
Cash flow from operating activities			
Receipts from customers		18,026,035	12,981,571
Payments to suppliers and employees		(16,013,327)	(11,549,288)
Interest received		6,153	6,028
Interest and finance charges paid		(104,826)	(433,274)
Income tax paid		(38,469)	-
Export market development grant receipts		107,949	92,493
Net cash provided by operating activities	16(a)	1,983,515	1,097,530
Cash flow from investing activities			
Purchases of plant and equipment	7(a)	(64,318)	(26,579)
Proceeds from sale of plant & equipment		-	500
Development costs capitalised	9(a)	(516,631)	(1,905,393)
Research and development grant receipts		692,135	471,396
Net cash provided by / (used in) investing activities		111,186	(1,460,076)
Cash flow from financing activities			
Net payments - convertible notes		(500,000)	(75,000)
Net loan payments		(760,577)	(447,930)
Net cash proceeds on share placement / rights issue		2,340,570	392,264
Net cash provided by / (used in) financing activities		1,079,993	(130,666)
Net increase / (decrease) in cash and cash equivalents		3,174,694	(493,213)
Cash and cash equivalents at beginning of year		(45,408)	447,805
Cash and cash equivalents at end of financial year	16(b)	3,129,286	(45,408)

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

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

1. Summary of significant accounting policies

(i) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001 and comply with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Reporting Basis and Conventions

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

(ii) Going concern

The Financial Report has been prepared on a going concern basis which assumes that the Group will continue as a going concern and will be able to generate sufficient positive cash flows to meet its financial obligations, realise its assets and extinguish its liabilities in the normal course of business.

The trading results for the year ended 30 June 2014 and the financial position of the Group at that date are summarised as follows:

	30 June 2015	30 June 2014
	\$	\$
Revenue	16,967,356	12,630,372
EBITDA	2,572,162	1,846,559
Profit for the year before tax	644,934	439,449
Cash generated by operating activities	1,983,515	1,097,529
Net assets	6,852,770	812,276
Net current assets	3,620,104	416,066

The Group is confident of its future outlook following the renounceable rights issue which raised \$2,340,570 net of costs in August 2014, enabling the repayment of all interest bearing loans and convertible notes and the profitable trading experienced for the second year in succession, achieving \$1,084,383 in net profits before tax over the last 2 years notwithstanding major development expenditure.

Although future events are always subject to a degree of uncertainty, the Group is forecasting significant positive cash flows and therefore believes there is sufficient flexibility within its cash resources so as not to cast doubt about the Group's ability to continue as a going concern.

(iii) Accounting policies

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied to all years presented, unless otherwise stated. When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(a) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (World Reach Limited) and all of the subsidiaries which are entities the parent controls. A list of the subsidiaries is provided in Note 24.

(b) Income tax

Income tax expense (benefit) for the year comprises current income tax expense and deferred income tax expense (benefit). Current income tax expense disclosed in Note 3(a) relates to the amount charged to consolidated profit or loss in respect of the USA subsidiary company, which is not part of the Australian tax consolidated group and therefore unable to access accumulated Australian tax losses.

A net deferred tax benefit has been recognised in the current year reflecting a re-assessment of deferred tax assets and liabilities, as outlined in Note 3(c).

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

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

1. Summary of significant accounting policies (continued)

(iii) Accounting policies (continued)

(b) Income tax (continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. Following profit results in the current and prior year, and forecasted profitability, deferred tax assets and liabilities have been re-assessed and recognised as disclosed in Notes 3 and 8. At each reporting date, the consolidated group re-assesses unrecognised deferred tax assets as to the extent that it has become probable that future tax profit will enable recognition.

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

World Reach Limited and its wholly owned Australian subsidiaries have formed a tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own tax expense and deferred tax. The current tax liability of each group entity and deferred tax assets arising from tax losses are immediately assumed by the parent entity.

(c) Plant & equipment

Plant and equipment is carried at cost less any accumulated depreciation and impairment losses, where applicable.

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

Repairs and maintenance to plant and equipment is charged to the statement of profit or loss and other comprehensive income during the financial period in which it is incurred.

The depreciable amount of plant and equipment is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

The straight line depreciation rates for plant and equipment were as follows for both 2014 and 2015.

Office furniture and equipment	10%
Computer and test equipment	33%
Rental equipment	20% - 33%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials and direct labour.

(e) Product development

Development costs are capitalised only when it is probable that the expected future economic benefits would flow to the company and can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to future production. Expenditure not related to the creation of a new product is recognised as an expense when incurred.

The amortisation rate for capitalised development costs is dependent on an assessment of the minimum useful life of each project. Older projects/ products have been assessed at 3 years giving a 33% amortisation rate during 2015. Recently developed products including the major product completed in June 2014 have been assessed at a minimum 2 years giving a 50% amortisation rate.

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

1. Summary of significant accounting policies (continued)
(iii) Accounting policies (continued)

(f) Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Option based compensation relates to the value of options issued to date and brought to account pro-rata to the time period from the date of issue to the date of vesting, except in the case of Director's where Accounting Standard AASB 2 requires expensing to begin from the commencement of service related to those options, notwithstanding that the issue of those options is subject to shareholder approval.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(g) Financial instruments

Financial instruments in the form of trade receivables, trade payables and other financial assets and liabilities are initially measured at transaction cost on trade date when the related contractual rights or obligations arise. Realised and unrealised gains or losses arising from changes in the fair value of these assets or liabilities are included in the statement of profit or loss and other comprehensive income in the period in which they arise. At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. Refer Note 14 for a detailed review of the group's financial instruments.

The Group does not designate any interests in subsidiaries as being subject to the requirements of Financial Instruments accounting standards.

(h) Impairment of assets

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

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

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Where applicable, bank overdrafts are disclosed within other financial liabilities in current liabilities on the statement of financial position.

(j) Revenue recognition

Revenue from the sale of goods and services is recognised at the fair value of the consideration received upon delivery of goods or performance of services to customers.

Interest revenue and rental income is recognised when it becomes receivable. Other revenue is recognised when the right to receive the revenue has been established.

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

1. Summary of significant accounting policies (continued)
(iii) Accounting policies (continued)

(k) Government Grants

Government grants in the form of refundable Research and Development Tax Offsets received in respect of capitalised Development Costs are initially recognised as deferred income upon receipt, and brought to account as income on a systematic basis over the useful life of the related Development Cost assets. Export market development grants are brought to account in the statement of profit or loss and other comprehensive income in the period received. There are no unfulfilled conditions or other contingencies attaching to government grants recognised in the financial statements.

(l) Foreign currency transactions and balances

Functional and presentation currency

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

Transactions and balances

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

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

(m) Leases

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

(n) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the asset or expense cost. Receivables and Payables are shown in the statement of financial position as inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

(o) Critical accounting estimates and judgments

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

Accounting estimates and judgements made in relation to the recognition of deferred tax assets are indicated in Note 3(c).

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

(p) New accounting standards for application in future periods

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

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

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The directors anticipate that the adoption of AASB 9 may have little, if any, impact on the Group's financial instruments, however, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. The new revenue model in AASB 15 will apply to all contracts with customers which requires the company to recognise revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled.

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

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

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

2 Loss before income tax

- (a) Revenue from continuing operations

Sales revenue

- Equipment sales
- Other

Other income

- Interest
- Gain on loan settlement
- Other realised and unrealised foreign currency net gain
- Export market development grant
- Research and Development grant

- (b) Cost of sales

Opening inventories

Add: Purchases and other stock adjustments

Closing inventories (Note 5)

- (c) Finance costs expense

Interest expense on financial liabilities

- (d) Other expenses include:

- Product development costs expensed
- Operating lease payments

3 Income tax

- (a) The components of tax expense / (benefit) comprise:

Current tax

- Current tax expense
- Current movement in net deferred tax assets
- Net deferred tax assets not brought to account
- Recognition of deferred tax assets

Income tax benefit transferred to statement of profit or loss and other comprehensive income

- (b) The prima facie tax expense on profit from ordinary activities before income tax is reconciled to the current income tax benefit as follows:

Profit from ordinary activities

Prima facie income tax benefit on loss from ordinary activities at 30% (2014: 30%)

Add / (Less):

Tax effect of:

- Tax reconciling items
- Utilisation of prior year tax losses
- Current year tax loss
- Deferred tax assets and portion of tax losses brought to account

Income tax benefit attributable to the Consolidated Group

Year ended	
30 June 2015	30 June 2014
\$	\$
15,965,646	12,430,821
17,878	41,848
15,983,524	12,472,669
6,153	6,028
309,757	-
266,591	39,540
107,949	92,493
293,382	19,642
983,832	157,702
16,967,356	12,630,372
3,211,234	2,400,803
9,430,783	8,053,701
12,642,017	10,454,504
(3,519,858)	(3,211,234)
9,122,158	7,243,270
180,137	636,292
615,810	152,354
189,838	186,986
38,469	-
-	(223,495)
-	223,495
(1,406,402)	-
(1,367,933)	-
644,934	439,449
193,480	131,835
496,467	(172,342)
(651,478)	-
-	40,507
(1,406,402)	-
(1,367,933)	-

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

3 Income tax (continued)

- (c) Deferred tax assets of \$1,932,128 (2014: nil), consisting of \$1,413,172 (2014: nil) relating to tax losses and \$518,956 (2014: nil) relating to temporary tax differences, and deferred tax liabilities of \$525,726 (2014: nil), have been recognised as at 30 June 2015.

In the directors opinion there are reasonable grounds to expect sufficient future profitability so as to realise the full value of deferred tax assets. However due to previous trading performances and the amount of the accumulated losses for tax purposes, it is considered conservative and prudent at this time to only recognise half the amount of deferred tax assets relating to carried forward tax losses.

The amount of unused tax losses for which no deferred tax asset has been brought to account represents operating tax losses \$1,413,172 (2014: \$3,477,821); and capital tax losses \$2,018,274 (2014: \$2,018,274).

The amount of deferred tax assets which may be realised in the future is dependent on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Consolidated Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

- (d) Income tax expense comprises current year tax of 19,814 and a 2014 underprovision of 18,645 incurred by the groups USA subsidiary which is unable to claim against Australian tax losses.

- (e) There are no franking credits available to equity holders.

Year ended	
30 June 2015	30 June 2014
\$	\$
3,129,286	229,592
869,120	864,765
16,238	-
2,634,500	2,346,469
3,519,858	3,211,234
2,286,754	2,495,589
(58,420)	(56,000)
206,671	163,774
91,119	91,119
2,526,124	2,694,482

6 Trade and other receivables

(a) Current

Trade receivables
Provision for doubtful debts
Other receivables and prepayments
Rental security deposit

(b) Ageing reconciliation	Gross amount	Within trade terms	Past due but not impaired (days overdue)			Past due & impaired
			31 - 60	61 - 90	90+	
2015						
Current						
Trade receivables	2,286,754	1,911,861	221,648	66,385	28,439	58,421
Other receivables	206,671	206,671	-	-	-	-
Rental security deposit	91,119	91,119	-	-	-	-
2014						
Current						
Trade receivables	2,495,589	2,140,750	275,293	3,534	20,012	56,000
Other receivables	163,774	163,774	-	-	-	-
Rental security deposit	91,119	91,119	-	-	-	-

All trade receivables past due terms but not impaired are expected to be received in the normal course of business.

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

7 Plant and equipment

Office furniture and equipment - at cost
Less: Accumulated depreciation and impairment

Computer and test equipment - at cost
Less: Accumulated depreciation and impairment

Rental equipment - at cost
Less: Accumulated depreciation and impairment

Total plant and equipment

(a) Movements in carrying amounts

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

	Office Furniture & Equipment	Computer & Test Equipment	Rental Equipment	Total
Balance at 1 July 2013	132,835	15,124	8,422	156,381
Additions	9,149	17,431	-	26,579
Disposals	-	-	(8,422)	(8,422)
Depreciation expense	(61,172)	(14,403)	-	(75,575)
Balance at 30 June 2014	80,812	1 8,152	-	98,964
Additions	10,722	50,270	3,326	64,318
Disposals	-	-	-	-
Depreciation expense	(53,466)	(16,381)	-	(69,847)
Balance at 30 June 2015	38,068	52,041	3,326	93,435

8 Tax

Non-current

Deferred tax assets

Deferred tax assets:
Provision for doubtful debts
Carrying amount of patents and capital raising costs
Accruals
Provisions
Tax losses

Deferred tax liability:

Product development costs
Balance as at 30 June 2015

Year ended	
30 June 2015	30 June 2014
\$	\$
407,278	404,049
(369,210)	(323,237)
38,068	80,812
245,006	219,083
(192,965)	(200,931)
52,041	18,152
3,326	216,212
-	(216,212)
3,326	-
93,435	98,964

Office Furniture & Equipment	Computer & Test Equipment	Rental Equipment	Total
132,835	15,124	8,422	156,381
9,149	17,431	-	26,579
-	-	(8,422)	(8,422)
(61,172)	(14,403)	-	(75,575)
80,812	1 8,152	-	98,964
10,722	50,270	3,326	64,318
-	-	-	-
(53,466)	(16,381)	-	(69,847)
38,068	52,041	3,326	93,435

Opening balance	Net DTA take-up	Closing balance
-	17,526	17,526
-	3 ,415	3,415
-	231,845	231,845
-	266,170	266,170
-	1 413,172	1,413,172
-	1,932,128	1,932,128
-	(525,726)	(525,726)
-	1,406,402	1,406,402

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

	Year ended	
	30 June 2015 \$	30 June 2014 \$
9 Intangible assets		
Development costs capitalised - at cost	6,296,347	5,779,717
Accumulated amortisation and impairment	(4,543,928)	(2,866,684)
	1,752,419	2,913,033
(a) Movements in carrying amounts		
Balance at the beginning of the year	2,913,033	1,702,883
Additional costs capitalised	516,630	1,905,393
Amortisation expense	(1,677,244)	(695,243)
Balance at the end of the year	1,752,419	2,913,033
10 Trade and other payables		
Current		
Trade payables and accruals	2,316,425	3,603,229
Deferred income	1,785,158	613,120
	4,101,583	4,216,348
11 Other financial liabilities		
Current		
Bank overdraft - secured	-	275,000
Secured advances under contract	585,937	482,438
Unsecured other loans	-	15,607
	585,937	773,045
Non Current		
Secured convertible notes	-	1,438,696
Secured advances under contract	-	403,731
Unsecured convertible notes	-	443,730
Unsecured other loans	-	300,000
	-	2,586,157

Bank Facilities

All bank facilities are secured by first ranking Registered Mortgage Debenture over the Consolidated Group's assets including uncalled capital and called but unpaid capital. At 30 June 2015, the company had the following unused bank facilities:

- an Australian dollar overdraft with a limit of \$300,000. The overdraft was not utilised at 30 June 2015.
- a US dollar overdraft with a limit of US\$320,000. The US dollar overdraft was not utilised at 30 June 2015.

Secured advances under contract

At balance date the Company had secured advances under a contract with Inmarsat PLC to develop and manufacture products compatible with the Inmarsat hand held satellite phone. Advances, which are denominated in USD, are secured by a charge over the Intellectual Property developed under the agreement and are non-interest bearing. During the current year the Company repaid \$169,970. In June 2015 the Company negotiated a final cash payment to fully settle the outstanding loan balance at a figure lower than the outstanding amount. The final payment will be made in the first quarter of FY2016.

Secured convertible notes

At 30 June 2015 there were no secured convertible notes outstanding having been converted to ordinary shares or redeemed during the last financial year.

Unsecured convertible notes

At 30 June 2015 there were no unsecured convertible notes outstanding having been converted to ordinary shares or redeemed during the last financial year.

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

		Year ended	
		30 June 2015	30 June 2014
		\$	\$
12 Provisions			
Current			
Employee benefits		715,724	649,849
Warranty costs		151,920	80,000
		867,644	729,849
Non current			
Employee benefits		19,590	29,630
(a) Movements in provisions for the year ended 30 June 2015			
	Employee benefits	Warranty costs	Total
Balance at the beginning of the year	679,479	80,000	759,479
Additional provisions	579,878	104,896	684,774
Amounts used	(524,043)	(32,976)	(557,019)
Balance at the end of the year	735,314	151,920	887,234
		Year ended	
		30 June 2015	30 June 2014
		\$	\$
13 Issued capital			
Issued and paid up capital:			
Ordinary fully paid shares		5,784,925	1,769,355

The Company has 43,173,452 ordinary shares on issue at 30 June 2015 (2014: 14,631,797).

	Number of shares	\$
Balance at 30 June 2013	11,711,797	1,377,091
- Shares issued (net of costs) (a)	2,920,000	392,264
Balance at 30 June 2014	14,631,797	1,769,355
- Conversion of convertible notes (b)	6,624,997	950,000
- Renounceable rights issue (net of costs) (c)	16,000,000	2,340,570
- Conversion of convertible notes (b)	5,916,658	725,000
Balance at 30 June 2015	43,173,452	5,784,925

(a) Share issue

On 24th February 2014, World Reach Limited completed the issue of shares to Ample Skill Limited, which subscribed for a placement of 2,920,000 ordinary shares at an issue price of \$0.15 per share to raise \$438,000 for working capital purposes.

(b) Conversion of Convertible Notes

On 7th July 2014, the company finalised the conversion of 38 convertible notes. A total of 6,624,997 ordinary shares were issued under the terms of the Convertible Note Subscription Agreement.

On 25th August 2014, the company finalised the conversion of a further 29 convertible notes. A total of 5,916,658 ordinary shares were issued under the terms of the Convertible Note Subscription Agreement.

(c) Renounceable Rights Issue

On 28th July 2014, the company issued 16,000,000 ordinary shares through a Renounceable Rights Issue.

(d) Options over issued capital

The total number of potential ordinary shares attributable to options outstanding as at 30 June 2015 is 2,593,146 (2014: 2,135,512), of which 1,019,813 (2014: 262,000) were issued to employees under the Company's Share Option Incentive Plan and 600,000 (2014: 1,000,000) were issued to directors following shareholder approval. Refer Note 18: Share Based Payments for details of options issued, exercised and lapsed during the financial year and the options outstanding at year end.

The balance of 973,333 (2014: 873,572) options outstanding were issued to Ample Skill Limited on 18 December 2014 following shareholder approval, under the terms of the agreement referred to in (a) above, at an exercise price of \$0.185 per share.

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

13 Issued capital (continued)

(e) Capital management

When managing capital, management's objective is to ensure the Consolidated Group delivers optimal returns to shareholders and benefits for other stakeholders.

No dividends have been paid or declared in respect of ordinary shares for the 2015 or prior years.

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

14 Financial instruments

The Consolidated Group undertakes transactions in a range of financial instruments including:

- cash assets;
- receivables;
- payables;
- deposits;
- borrowings, including loans and convertible notes.

Activities undertaken by entities within the Consolidated Group result in exposure to a number of financial risks, including market risk (interest rate risk, foreign currency risk), credit risk and liquidity risk.

Due to the size of operation conducted by the Consolidated Group, risk management is monitored directly by the Board of Directors of the parent company with the aim of mitigation of the above risks and reduction of the volatility on the financial performance of the Group.

The risks associated with material financial instruments and the Consolidated Group's policies for minimising these risks are detailed below.

(a) Interest rate risk management

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

Interest rate risk for the Consolidated Group primarily arises from:

- Bank Funding - The funding is provided by the Consolidated Group's bankers at variable interest rates based upon Business Overdraft Prime Indicator rates plus a risk margin. The group diligently manages the facilities and its accompanying rate risk in its daily operations by keeping the net debt portfolio at a minimum level or in an infunds position.

These risk exposures related to the financial instruments are not considered material and therefore no sensitivity analysis has been provided.

Financial Instrument Composition and Maturity:

The Consolidated Group's exposure to interest rate risk, and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2015	Floating Interest	Fixed Interest	Weighted Average Interest Rate	Non-Interest bearing	TOTAL
Financial asset					
Cash assets	3,129,286	-	0.03%	-	3,129,286
Receivables	-	-		2,526,124	2,526,124
TOTAL	3,129,286	-		2,526,124	5,655,410
Financial liability					
Payables	-	-	0.00%	4,101,583	4,101,583
Secured advances under contract	-	-	0.00%	585,937	585,937
TOTAL	-	-		4,687,520	4,687,520
2014					
Financial asset					
Cash assets	229,592	-	0.02%	-	229,592
Receivables	-	-		2,694,482	2,694,482
TOTAL	229,592	-		2,694,482	2,924,074
Financial liability					
Payables	-	1,020,222	9.00%	3,196,126	4,216,348
Convertible notes	1,882,426	-	8.00%	-	1,882,426
Bank Overdraft/term loan	275,000	-	9.10%	-	275,000
Secured advances under contract	-	-	0.00%	886,169	886,169
Unsecured other loans	15,607	300,000	14.53%	-	315,607
TOTAL	2,173,033	1,320,222		4,082,295	7,575,550

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

14 Financial instruments (continued)

(b) Foreign currency risk management

Foreign currency risk refers to the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates. The Consolidated Group conducts the majority of its receivable, payable and loan transactions in foreign currency, primarily in US

Dollars. The Group's foreign currency exchange risk arises from the holding of foreign currency deposits, loans and transactions in normal trading operations resulting in trade receivables, payables and loans being held at balance date.

Foreign currency risk sensitivity:

If foreign exchange rates were to increase/decrease by 10% from rates used to determine values as at reporting date then the impact on profit and equity due to movements in unrealised foreign currency exchange gain on foreign currency secured advances are as follows:

	Foreign currency movement	Year ended	
		30 June 2015	30 June 2014
		\$	\$
Impact on profit after tax	+/- 10%	+/- 23,182	+/-128,956
Impact on equity	+/- 10%	+/- 23,182	+/-128,956

The above sensitivity reflects the low net holding of foreign currency financial instruments at balance date. Whilst foreign currency payables and receivables are largely offsetting during the year, the Group monitors and manages the associated currency risks relating to these transactions in order to reduce the impact of market risk volatility, therefore no further sensitivity analysis has been provided.

(c) Credit risk management

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause a financial loss to the Consolidated Group.

The credit risk on financial assets of the Consolidated Group that have been recognised in the statement of financial position is the carrying amount, net of any provision for doubtful debts. The Consolidated Group minimises credit risk by performing credit assessments on all new customers, continuing major customers, and where necessary, obtaining advance payments.

Ongoing credit evaluation is performed on the financial condition of customers and, where appropriate, an allowance for doubtful debts is raised.

The Consolidated Group does not have any credit risk arising from money market instruments, foreign currency contracts, cross currency and interest rate swaps.

(d) Liquidity risk management

Liquidity risk includes the risk that, as a result of the Consolidated Group's operational liquidity requirements, the group:

- will not have sufficient funds to settle a transaction on the due date;
- will be forced to sell financial assets at a value which is less than what they are worth;
- may be unable to settle or recover a financial asset at all.

To help reduce these risks the Consolidated Group:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained; and
- monitors forecast cash flows and endeavours to ensure that adequate borrowing facilities are maintained and/or maturity dates are managed appropriately.

The Consolidated Group's exposure to liquidity risk on classes of financial assets and financial liabilities, is as follows:

2015	< 1 Year	1 - 5 Years	Total contractual cash flows	Carrying amount
Asset class				
Cash and cash equivalents	3,129,286	-	3,129,286	3,129,286
Receivables	2,435,005	91,119	2,526,124	2,526,124
Payables	(4,101,583)	-	(4,101,583)	(4,101,583)
Other financial liabilities including contractual interest	(585,937)	-	(585,937)	(585,937)
Net maturities	876,771	91,119	967,889	967,889
2014				
Asset class				
Cash and cash equivalents	229,592	-	229,592	229,592
Receivables	2,603,363	91,119	2,694,482	2,694,482
Payables	(4,216,348)	-	(4,216,348)	(4,216,348)
Other financial liabilities including contractual interest	(992,045)	(2,586,157)	(3,578,202)	(3,359,202)
Net maturities	(2,375,438)	(2,495,038)	(4,870,476)	(4,651,476)

(e) Net fair values of financial assets and liabilities

Net fair values at balance date of each class of financial asset and liability do not materially differ from the carrying amounts disclosed in the statement of financial position.

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

15 Commitments and contingencies

Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases contracted for but not capitalised in the financial statements are as follows:

	Year ended	
	30 June 2015	30 June 2014
	\$	\$
Not later than one year	169,913	77,986
Later than one year but not later than five years	568,547	-
Later than five years	191,190	-
	929,650	77,986

The Consolidated Group and parent entity renegotiated a 7 year non-cancellable commercial rental property lease at Mulgrave in December 2014. The new lease expires in December 2021. There is an option to renew the lease for a further 7 year period but no commitment has been entered into at this date. The Consolidated Group also renegotiated a minor office equipment lease for a 5 year period beginning in September 2014.

Capital expenditure commitments

Capital expenditure projects

Not longer than 1 year	2,458,000	86,000
Longer than 1 year and not longer than 5 years	444,224	-
Longer than 5 years	-	-
	2,902,224	86,000

Capital commitments relate to product development projects being undertaken by World Reach Limited's subsidiary, Beam Communications Pty Ltd.

Superannuation commitments

World Reach Limited makes superannuation contributions to prescribed superannuation funds on behalf of employees and executive directors, as required by the Superannuation Guarantee legislation. The principal types of benefits are death, permanent disability and superannuation benefits upon retirement.

16 Notes to the statement of cash flows

(a) Reconciliation of loss after income tax benefit to net cash flow from operating activities

Profit after tax	2,012,867	439,449
<i>Non Cash flows in profit:</i>		
Depreciation	69,847	75,575
Amortisation	1,677,244	695,243
Net profit on disposal of plant and equipment	-	(500)
Gain on loan settlement	(309,757)	-
Convertible note finance expense	75,311	203,018
Unrealised foreign currency net losses / (gains) on foreign currency secured advances	179,497	(19,307)
Share options expensed	229,320	47,130
Doubtful debt expense	2,420	56,000
<i>Changes in assets and liabilities:</i>		
(Increase) in trade and other receivables	165,936	(613,567)
(Increase) / Decrease in inventory	(308,624)	(810,431)
(Increase) in deferred tax assets	(1,406,402)	-
Increase in trade and other payables	(531,899)	667,252
Increase in employee provisions	55,835	297,668
Increase in provision for warranty costs	71,920	60,000
Net cash from operating activities	1,983,515	1,097,530

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

16 Notes to the statement of cash flows (continued)

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

	30 June 2015	30 June 2014
	\$	\$
Cash and cash equivalents (Note 4)	3,129,286	229,592
Bank overdraft/loan (Note 11)	-	(275,000)
	3,129,286	(45,408)

(c) Non cash operating, financing and investing activities

Non cash operating, financing and investing activities undertaken by the Consolidated Group during the year are disclosed in Note 18.

(d) Facilities

The Consolidated Group has the following facilities with the National Australia Bank:

- an Australian dollar overdraft with a limit of \$300,000. The overdraft was not utilised at 30 June 2015.
 - a US dollar overdraft with a limit of US\$320,000. The US dollar overdraft was not utilised at 30 June 2015.
- A term loan in Australian dollars of \$300,000 was repaid on 29 August 2014 and not renewed.

Bank guarantee facilities of the Consolidated Group total \$150,000 of which \$100,000 has been allocated to a subsidiary company and \$50,000 to the parent. Both were fully utilised at 30 June 2015.

The Consolidated Group's banking facilities are subject to the Group satisfying quarterly covenants set by the bank. The Group did not meet some covenants for September quarter 2014 but achieved all covenant requirements for the December 2014, March 2015 and June 2015 quarters. The bank reconfirmed the banking facilities as continuing on 20 August 2015.

17 Key management personnel disclosures

Compensation by category

	30 June 2015	30 June 2014
	\$	\$
Short-term employee benefits	1,002,342	717,588
Post-employee benefits	89,390	47,765
Other long-term benefits	50,392	11,282
Termination benefits	-	-
Share-based payments	164,955	47,130
	1,307,079	823,765

Share options are granted at the discretion of the directors based on terms and conditions set out in the Company's Share Option Incentive Plan. The directors may at any time and from time to time determine eligible persons for the purposes of the option plan and select amongst those eligible persons participants who will be invited to participate in the option plan.

Options issued to directors pursuant to the option plan will be subject to approval of shareholders in general meeting, in compliance with the Listing Rules.

- (b) The following table illustrates the number (No.) and weighted average exercise prices (WAEP) and movements in share options issued during the year for the Company:

	30 June 2015		30 June 2014	
	No.	WAEP \$	No.	WAEP \$
Outstanding at the beginning of the financial year	1,262,000	0.6381	1,342,500	0.6388
Granted during the financial year	884,813	0.1950	-	-
Lapsed during the financial year	-	-	-	-
Cancelled during the financial year	(412,500)	0.6464	(10,000)	0.6500
Exercised during the financial year	-	-	-	-
Expired during the financial year	(114,500)	0.6500	(70,500)	0.6500
Outstanding at the end of the financial year	1,619,813	0.3931	1,262,000	0.6381
Exercisable at the end of the financial year	1,219,813	0.3089	262,000	0.5927

(i) The weighted average remaining contractual life for the share options outstanding as at 30 June 2015 is 3.42 years (2014: 2.64 years)
The range of exercise prices for options outstanding at the end of the year was \$0.195 - \$0.65 (2014: \$0.45 - \$0.65)
The weighted average fair value of options granted during the year was \$0.115 (2014: nil (none granted))
The fair value of equity-settled share options granted under the Company's Share Option Incentive Plan is estimated as at grant date using the Binomial Option Valuation model, with Black Scholes crosscheck, taking into account the terms and conditions upon which the options were granted.

(ii) Included under employee benefits expense in the statement of profit or loss and other comprehensive income is \$229,320 (2014: \$47,129), and relates, in full, to equity-settled share options.

Remuneration of the Auditor for auditing or reviewing financial reports of the Consolidated Group

Related party transactions with the Seasons Group, which is related to Mr C Hung, a director of the company.

Transactions with the Seasons Group

- Purchases
- Sales

Amounts outstanding with the Seasons Group

- Receivables
- Payables

Mr C Hung is a director of the company, and is also the president and a director of Season Group. During the year ended 30 June 2015 the company subcontracted manufacturing on an arms length basis to Season Group, in accordance with a contract signed prior to his appointment as director. Transactions between the company and Season Group are on normal commercial terms and conditions no more favourable than those available to other parties.

Overall operations

Basic earnings per share

Dilutive earnings per share

Weighted average number of ordinary shares used in the calculation of Basic Earnings Per Share

Weighted average number of dilutive options and converting preference shares on issue

Weighted average number of ordinary shares and potential ordinary shares used in the calculation of Dilutive Earnings Per Share

Anti-dilutive options on issue not used in dilutive EPS calculation

Anti-dilutive options have not been considered in the dilutive earnings per share calculation due to the average market price being less than the exercisable price.

Earnings:

Earnings used in the calculation of Basic Earnings Per Share

Reconciliation of dilutive earnings to profit or loss:

Profit

Interest on convertible notes

Earnings used in the calculation of Dilutive Earnings Per Share

Year ended	
30 June 2015	30 June 2014
\$	\$
59,205	69,996
4,356,931 (205,062)	2,573,302 (108,832)
- (781,162)	28,604 (1,279,132)
¢	¢
5.13	3.45
4.97	3.15
No.	No.
39,206,133	12,719,797
2,791,549	13,197,671
41,997,682	25,917,468
735,000	2,135,572

	\$	\$
Earnings:		
Earnings used in the calculation of Basic Earnings Per Share	2,012,867	439,449
Reconciliation of dilutive earnings to profit or loss:		
Profit	2,012,867	439,449
Interest on convertible notes	75,311	377,018
Earnings used in the calculation of Dilutive Earnings Per Share	2,088,178	816,467

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

22 Segment reporting

(a) Sole operating segment

The Consolidated Group has identified operating segments based upon internal reports that are reviewed and used by the Directors in assessing performance and determining the allocation of resources in respect of its satellite communications products services and online sales. As the online sales segment operated by SatPhone Shop Pty Ltd, a wholly owned subsidiary company, does not meet the quantitative threshold for separate disclosure, the company considers its aggregate segment as its sole segment. Accordingly, revenue and results are fully disclosed in the consolidated statement of profit or loss and other comprehensive income for this aggregated sole operating segment.

Revenue and results are fully disclosed in the consolidated statement of profit or loss and other comprehensive income for the aggregated sole operating segment.

The consolidated statement of financial position discloses the sole operating segment assets and liabilities which are held within Australia.

(b) Revenue by geographical region

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

	Year ended		Year ended	
	30 June 2015		30 June 2015	
	\$	%	\$	%
Sales by country				
Australia	4,676,423	27.56%	4,222,868	33.43%
China	657,124	3.87%	544,820	4.31%
United Kingdom	1,900,582	11.20%	1,929,260	15.27%
United States of America	6,654,984	39.22%	2,569,054	20.34%
Netherlands	724,978	4.27%	1,337,180	10.59%
Japan	1,250,945	7.37%	1,063,905	8.42%
Other foreign countries	1,102,321	6.50%	963,285	7.63%
	16,967,357	100.00%	12,630,372	100.00%

(c) Major customers

The Consolidated Group has a number of customers to whom it provides products and services. The Consolidated Group supplied a single customer in the USA accounting for 32% of external revenue (2014: 13%) and the second largest customer, located in the United Kingdom accounted for 8% of external revenue (2014: second largest customer was in Netherlands, 10%). The next most significant customer accounts for 6% of external revenue (2014: 7%).

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

23 Parent company disclosures

(a) Statement of profit or loss and other comprehensive income

Profit / (loss) from continuing operations

Tax (expense) / benefit

Profit / (loss) for the year attributable to owners of the Company

Other comprehensive income

Total loss and other comprehensive income for the year attributable to owners of the Company

(b) Statement of financial position

Assets

Current assets

Non-current assets

Total assets

Liabilities

Current liabilities

Non-current liabilities

Total liabilities

Net assets / (deficiency of net assets)

Equity

Issued capital

Reserves

Accumulated losses

Total equity

(c) Guarantees

The parent company has guaranteed contractual advances and the performance under contract of a subsidiary company.

(d) Contractual commitments

Parent entity operating lease commitments are the same as consolidated entity commitments as disclosed in Note 15. The parent entity has no capital expenditure commitments.

24 Controlled entities

	Incorporated	Share class	Holding	
			2015	2014
Investments in unquoted corporations being controlled entities:				
Beam Communications Pty Ltd	Australia	Ordinary	100%	100%
SatPhonerental Pty Ltd	Australia	Ordinary	100%	100%
SatPhone Shop Pty Ltd	Australia	Ordinary	100%	100%
Beam Communications USA Inc	USA	Ordinary	100%	100%
Pacarc (PNG) Limited (Dormant)	Papua New Guinea	Ordinary	100%	100%

25 Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period.

26 Company details and principal place of business

World Reach Limited is a limited company incorporated in Australia. The principal activities of the Company and subsidiaries are outlined in the Director's Report. The address of its registered office and principal place of business is:

5 / 8 Anzed Court
Mulgrave Victoria 3170
Australia

DIRECTORS' DECLARATION

The directors of World Reach Limited declare that:

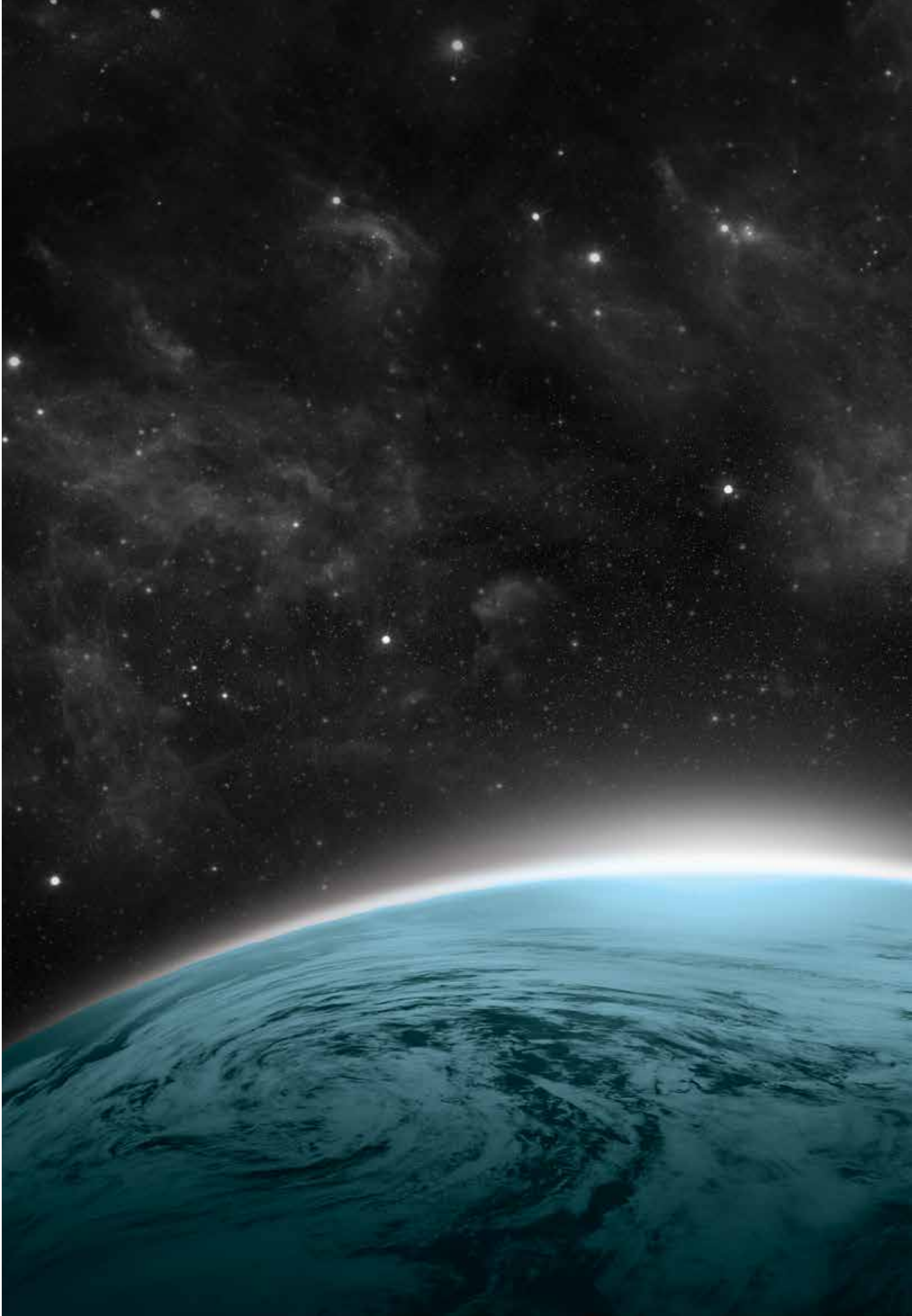
- 1. The financial statements and notes as set out in pages 29 to 50 are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
 - b. give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated group;
 - c. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001; and
 - d. any other matters that are prescribed by the regulations for the purposes of this declaration in relation to the financial statements and the notes for the financial year are also satisfied.
- 2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ending 30 June 2015.

This declaration is made in accordance with a resolution of the Board of Directors on 21 September 2015.



Mr David Dawson
Chairman



RSM Bird Cameron Partners
 Level 21, 55 Collins Street Melbourne VIC 3000
 PO Box 248 Collins Street West VIC 8007
 T +61 3 9286 8000 F +61 3 9286 8199
 www.rsmi.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

WORLD REACH LIMITED

Report on the Financial Report

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

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Liability limited by a
 scheme approved
 under Professional
 Standards Legislation

Major Offices in:
 Perth, Sydney,
 Melbourne, Adelaide,
 Canberra and Brisbane
 ABN 36 965 185 036

RSM Bird Cameron Partners is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practises in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of World Reach Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of World Reach Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

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

Opinion

In our opinion the Remuneration Report of World Reach Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Jason Croall

J S CROALL
 Partner
 Melbourne, VIC

Dated: 21 September 2015

AUSTRALIAN SECURITIES EXCHANGE INFORMATION

As at 31 August 2015.

This section includes information required by ASX Listing Rules which is not disclosed elsewhere in this Annual Report.

TWENTY LARGEST SHAREHOLDERS

	Number	% of Class
SGV1 HOLDINGS LIMITED	9,243,207	21.41%
AMPLE SKILL LIMITED	8,256,818	19.12%
ARTPRECIATION PTY LTD	1,888,632	4.37%
CAPOCCHI SUPER PTY LTD	1,408,561	3.26%
KILLARNEY PROPERTIES P/L	1,212,245	2.81%
ASHLEY RAYMOND LITTLE	840,000	1.95%
HOTTON FAMILY	807,052	1.87%
VINCENT GALANTE	687,319	1.59%
IVAN & FELICITY TANNER	683,196	1.58%
TOM BEKIARIS	671,835	1.56%
GARNOCK FAMILY	603,011	1.40%
ROBERT MANSFIELD NIALI	527,200	1.22%
PETER LINCOLN SIMPSON	450,000	1.04%
GRAHAM LLOYD TWARTZ	416,666	0.97%
NICHOLAS ANDREW ROXBURGH	400,000	0.93%
HUGH WILLIAM ROXBURGH	360,000	0.83%
DENNIS FRANK PAYNE	328,570	0.76%
BLUE MORRIS P/L (DAWSON A/C)	300,000	0.69%
JAMES VINCENT GUEST	300,000	0.69%
RAPAKI PTY LTD	260,000	0.60%
TOTAL TOP 20:	29,644,312	68.66%
TOTAL ISSUED:	43,173,452	100.00%

HOLDERS OF EACH CLASS OF EQUITY SECURITY

The company has issued:

- 43,173,452 ordinary fully paid shares to 777 shareholders.
- 2,593,146 options to subscribe for ordinary shares to 12 option holders.

No convertible notes remain on issue, having been converted to ordinary shares or redeemed in cash on 26 August 2014.

VOTING RIGHTS

There are 43,173,452 ordinary fully paid shares held by 777 members and these are the only class of share currently issued. The Company's Constitution provides that every member present in person, by proxy or by corporate representative or by appointed attorney shall on the show of hands have one vote.

SUBSTANTIAL SHAREHOLDERS

	Number	% of Class
SGV1 HOLDINGS LIMITED	9,243,207	21.41%
AMPLE SKILL LIMITED	8,256,818	19.12%

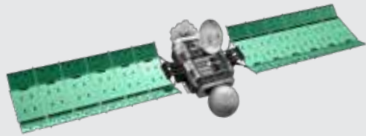
In addition to the above shareholdings:
- Ample Skill Limited holds options to subscribe for 973,333 ordinary shares.

DISTRIBUTION OF SHARES

Size of Holdings	Number of Holders	Number of Shares	%
1 to 1,000	248	75,938	0.18%
1,001 to 5,000	172	496,574	1.15%
5,001 to 10,000	91	685,931	1.59%
10,001 to 100,000	217	8,758,955	20.29%
100,001 and over	49	33,156,054	76.80%
TOTAL	777	43,173,452	100.00%

HOLDERS OF LESS THAN A MARKETABLE PARCEL OF QUOTED ORDINARY SHARES

Number of Holders	% of Total Holders	Number of Shares	% of Total Quoted Shares
277	35.65%	113,430	0.26%



World Reach Limited
ABN 39 010 568 804

5/8 Anzed Court, Mulgrave
Victoria, Australia 3170

+61 3 8561 4200
+61 3 9560 9055
info@worldreach.com.au
www.worldreach.com.au



Beam Communications Pty Ltd
ABN 97 103 107 919

5/8 Anzed Court, Mulgrave
Victoria, Australia 3170

+61 3 8588 4500
+61 3 9560 9055
info@beamcommunications.com
www.beamcommunications.com



SatPhone Shop Pty Ltd
ABN 40 099 121 276

5/8 Anzed Court, Mulgrave
Victoria, Australia 3170

+61 1 300 368 611
+61 3 8669 4424
info@satphoneshop.com
www.satphoneshop.com



SatPhonerental Pty Ltd
ABN 18 114 959 992

5/8 Anzed Court, Mulgrave
Victoria, Australia 3170

+61 1 300 368 611
+61 3 8669 4424
rentals@satphoneshop.com
www.satphoneshop.com/rentals



World Reach RFID
Exclusive distributor for STid

5/8 Anzed Court, Mulgrave
Victoria, Australia 3170

+61 3 8512 0263
+61 3 9560 9055
info@stid.com.au
www.stid.com.au