

2018

ANNUAL REPORT

FLEXIROAM LIMITED
ASX:FRX

Consolidated Annual Financial Report
for the Year Ended 31 March 2018

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CORPORATE INFORMATION

DIRECTORS

Jefrey Ong
Dato' Larry Gan Nyap Liou
Paul Khong
Cheryl Yeoh
Wai Hong Fong

COMPANY SECRETARY

Kim Hogg

REGISTERED OFFICE

79 Broadway, NEDLANDS WA 6009

PRINCIPAL PLACE OF BUSINESS

22-2 Jalan PJU 8/3A, Bandar Damansara Perdana,
47820, Petaling Jaya, Selangor D.E., Malaysia

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street, Subiaco, WA 6008

BANKERS

National Australia Bank
100 St Georges Terrace, PERTH WA 6000

SOLICITORS

Dean & Co.
Lot 1, Aman Kiara, No. 1, Jalan Kiara 5
Mont Kiara, 50480, Kuala Lumpur, Malaysia

Ph : 603 6211 0771
Fax : 603 6207 5475

SHARE REGISTRY

Advanced Share Registry
110 Stirling Highway, NEDLANDS WA 6009

Ph : 08 9389 8033
Fax : 08 9262 3723

SECURITIES EXCHANGE LISTING

Flexiroam Limited shares are listed on the Australian
Securities Exchange (ASX code : FRX)

WEBSITE

www.flexiroam.com

CONTACT INFORMATION

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CEO REPORT



Jef Ong
Managing Director

Being a leader in providing Borderless Data

“Our focus is to provide the best data experience worldwide to all mobile users enabling them to have seamless data connectivity at all times through our virtual infrastructure.”

Dear Shareholders,

FY2018 has been promising in regards to Flexiroam’s overall growth and achievements. Flexiroam has further developed the Flexiroam X app with additional language options. We have also introduced “Local Data Plans” to better personalise customers’ preference. Through Partners 2.0 program, our marketing strategy to collaborate with distributors maximized our influence in our target markets. Flexiroam is a player in a growing roaming industry and is yet to bloom to its full potential to penetrate into the untapped market. As an asset light business, we are confident that we can scale the business at an exponential rate with a considerably low cost in comparison to our competitors.

Performance Growth

Through our sales and marketing efforts, Flexiroam has experienced a significant growth in our user base, rising 240% since the last reporting year. The conversion rate from subscribers to users is at 35%, proof of successful marketing strategies to convert subscribers to paying users. We have also experienced a surge in active users to an average of 9,450 users using the Flexiroam X service per month. This is a promising result as it drives up usage and transactions. On average, a paying user makes up to 2.15 transactions with an ARPU of \$53. Around 33% of our customers are recurring customers who continuously use our services, helping us to secure strong recurring revenue which makes up 77% of our total retail revenue.

Revenue has shown improvement, with a growth of 46%, bringing us closer to a cash flow positive position. This comes from the balancing out of corporate and consumer sales, lending Flexiroam a more balanced revenue stream. This helps to improve on our customer acquisition cost and ARPU, making operations more effective and efficient.

Spreading Our Reach

In terms of market expansion, 2018 has been a good year for Flexiroam. The Partner 2.0 program that was launched in April 2017 has brought on a rapid expansion of our global reach, as we now have 243 partners and subpartners from 45 countries. Partnering with airlines such as KLM Royal Dutch Airlines, Korean Air and Scoot Airlines has helped Flexiroam gain direct exposure to frequent travellers, therefore widening our user base. This exposure to frequent travellers and globe trotters is further supported by partnerships with tour agencies. We have also partnered with airport retailers such as Bluwire to lend Flexiroam a more physical presence in international airports worldwide. Apart from widening our customer base, partnerships also help to boost awareness in the financial industry, through collaborations with financial institutions.

Future Strategies

Flexiroam has worked relentlessly to provide our customers with the latest innovations to improve the overall service that we have to offer. Flexiroam continues to innovate and invest into research and development to ensure we are always ahead of the technology curve. We are developing an “eSIM” technology which is estimated to generate a market worth \$174 billion annually by 2020. The company

will also deploy the use of eSIM as a delivery mechanism to enable users globally to get borderless data making traditional SIM cards obsolete. 2018 marks the beginning of a big step for Flexiroam as we began to provide in-flight Wifi onboard Scoot Airlines. Flexiroam X2 BETA was launched earlier this year to provide free data roaming access to WhatsApp for selected users.

Research is currently underway on two concept ideas, CogMoE and InterEx that we believe will be crucial to the success of Flexiroam. Our upcoming development, the Cognitive Mobile Operator Engine (CogMoE), a centralized smart decision-making system will cognitively manage components of Flexiroam's backend processes. Implementing the CogMoE system allows us to combine our social media management, mobile application, partner platforms, accounting system and backend system into one system that is more efficient. We will be able to offer personalized data packages, and variable cost data plans while Flexiroam grows from improved marketing efficiency and increased corporate margins.

InterEx is a platform that will provide an open marketplace for telecommunication data airtime exchange by creating a proprietary medium of exchange, IEx, to facilitate the transactions of mobile data. This will democratize the telecommunication industry and allow free trading of data airtime between telecommunications operators and mobile data users. By providing an open marketplace, InterEx aims to solve the problems that mobile data users and telecommunications operators face today such as unutilized data capacity, difficulty in forecasting data demand and the differences in data rates and quantum by mobile data providers and countries. Successful implementation of InterEx and IEx not only solves these problems, but also allows Flexiroam to become a leader in global data exchange and provide the preferred medium of exchange for buying and selling data throughout the world.

Forward Looking

Flexiroam has a dedicated team with global experience and exposure, fully committed towards the expansion of the company. As Flexiroam is in a growing phase, we plan to focus on securing high recurring revenue and increasing customer base in 2018. Flexiroam's growth is expected to continue in 2018 with a strong foundation of customers and partnerships. With greater exposure, Flexiroam is able to remain competitive and increase market share.

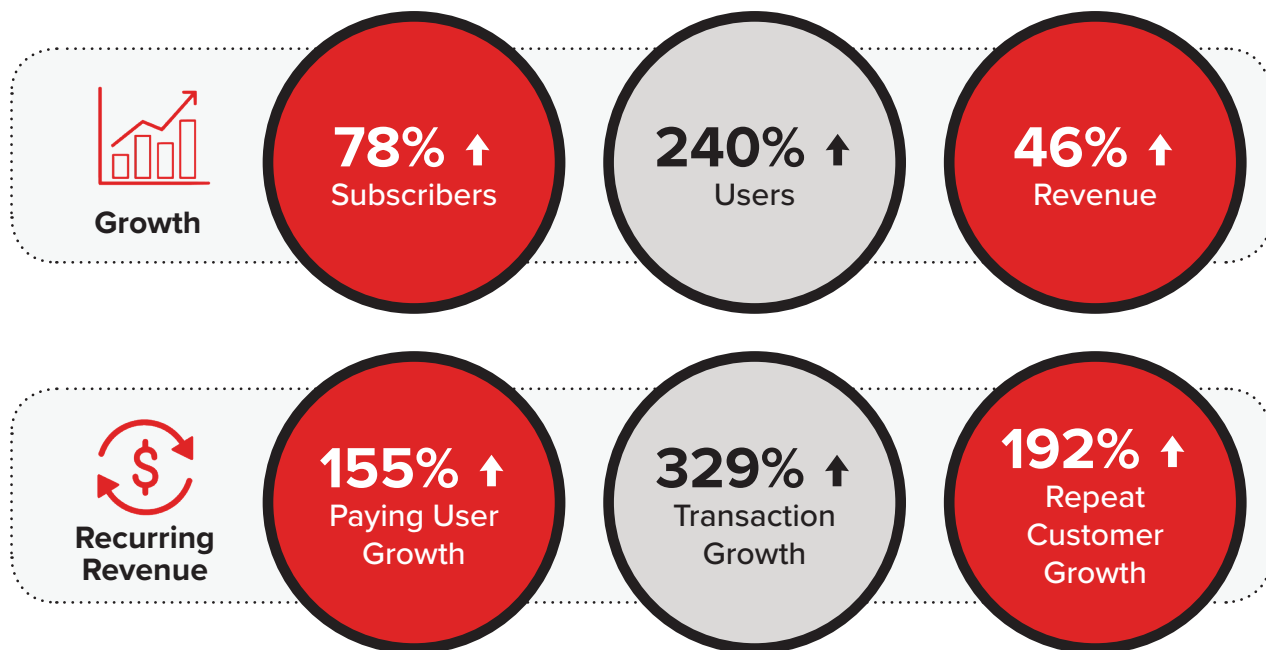
Gratitude

On behalf of the Board of Directors and I, we would like to extend our utmost gratitude towards our employees for their dedication. Also, my appreciation towards the Board of Directors for their timeless guidance, support and valuable input in building the company. Our key achievements would have not been achievable without the support and encouragement of our shareholders and business partners. With that, we remain thankful for the confidence shown in Flexiroam over the years. To end, I am looking forward for another year of empowering, progress and growth of the company in the coming years to report.



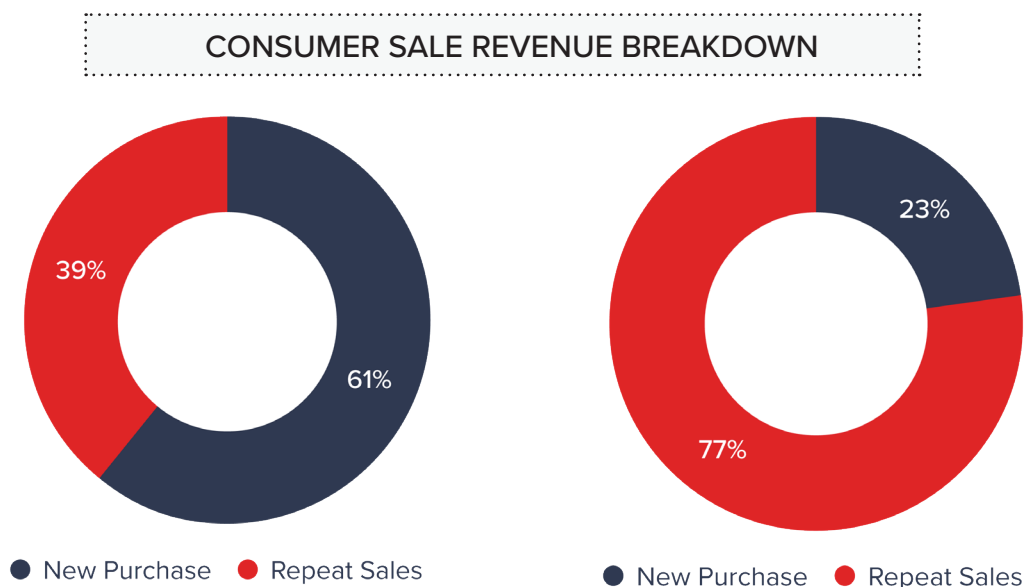
Jefrey Ong
Chief Executive Officer

FLEXIROAM'S GROWTH IN 2018



*Growth from year ended **March 2017** to year ended **March 2018**.

STRONG GROWTH IN RECURRING REVENUE



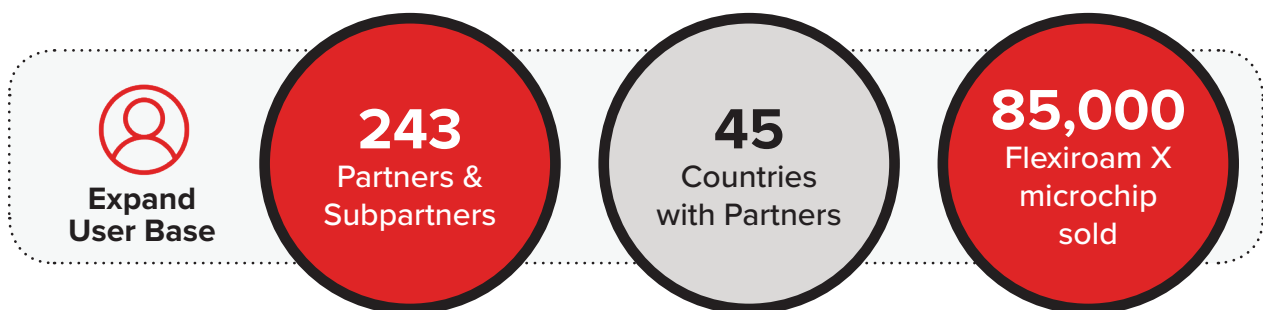
Between year ended March 2017 to March 2018, Flexiroam experienced growth in subscribers by 78% and users by 240%. Through increase in sales and recurring revenue, Flexiroam experience a revenue increase by 46%. Flexiroam also focuses on driving up recurring revenue through converting registered users to paying users and increasing transactions per paying user. Over 35% of Flexiroam X users are repeat customers who makes an average of 2.15 transactions per year. The percentage of repeat customers almost doubled at 192% growth. In 2018, the repeat sales makes up of 77% of all consumer sales.

GLOBAL BRANDING



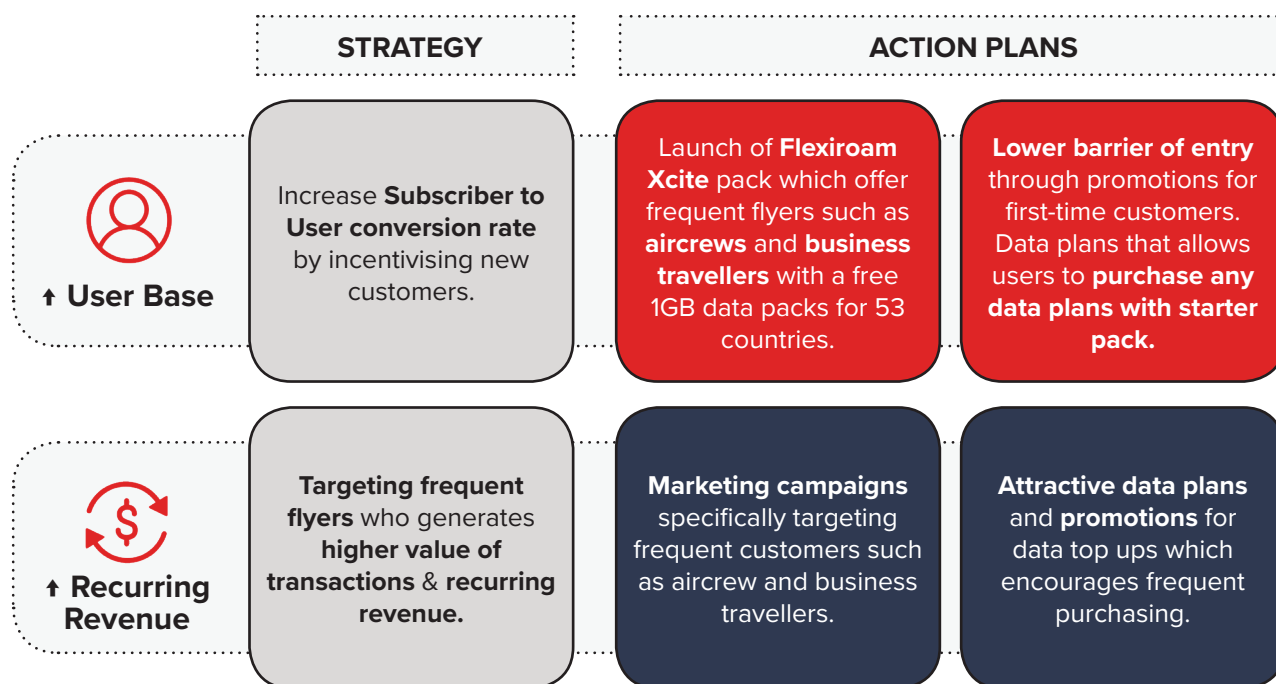
Flexiroam is in-line to become a global brand in the roaming market with over 130,000 subscribers from over 126 countries as of 31st March 2018. The markets which has the most subscribers are Malaysia, Singapore, Indonesia, UAE and Taiwan. Flexiroam's marketing has been effective in getting more users through partnering with local distributors in other countries as well as online marketing campaigns.

PARTNERS DISTRIBUTION PROGRAM PERFORMANCES

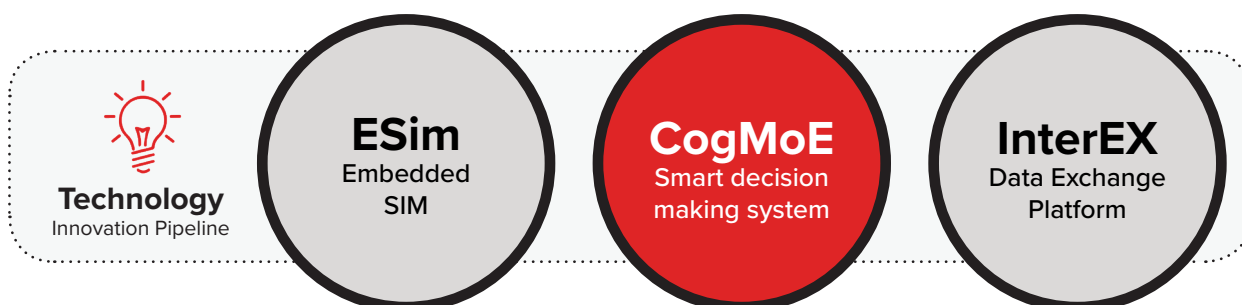


The Partners Distribution Program was launched on 1st April 2017, a marketing strategy to increase geographic reach of Flexiroam X through forging partnerships with local partners to distribute microchips in the country. Within 1 year, Flexiroam partnered with over 243 partners and sub-partners from 45 countries. As of 31st March 2018, over 85,000 microchips has been sold, with more microchips on the order list for partners who want to reorder. This strategy has been effective in expanding the user base and increasing recurring customers and revenues.

ONGOING STRATEGIES



FUTURE INNOVATIVE STRATEGIES

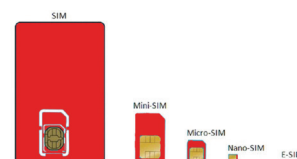


ESim

A system which **does not require a physical SIM or microchip** to access global data.

Benefits:

- **No logistic costs**
- Inline with **technological advancement**



1	2	3	4
			
Ahead of Technology Curve	Zero Distribution Barriers	Highly Scalable & Accessible	Higher Frequency of Purchase
Access Flexiroam network right out of the box on any eSIM embedded device.	Flexiroam app can be downloaded and used immediately with no logistic needs.	Access to all mobile device users. With no physical hardware.	Continuous purchase as demand for data is increasing and recurring all year round.

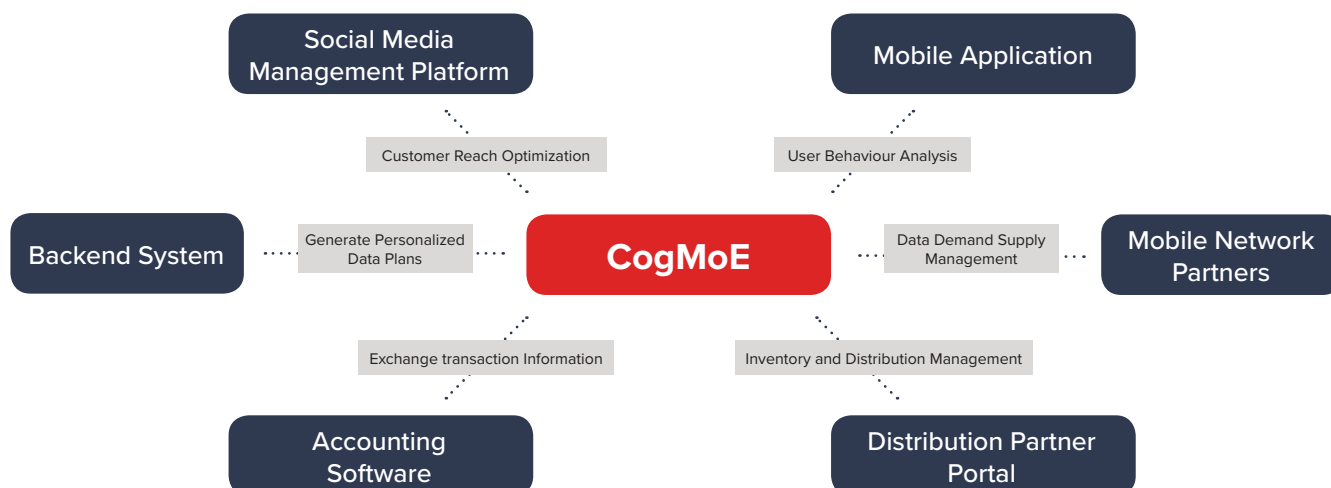
CogMoE

Intelligent system which can **design personalized plans** for customers.

Benefits:

- Provide plans according to customers usage habits to **encourage customer retention & recurring purchases.**

Developing a centralized smart decision-making system that cognitively manages components of Flexiroom backend processes which goes as far as designing uniquely personalized data plans according to customers usage behaviour.



InterEX

A platform which allows users to **buy and sell mobile data.**

Benefits:

- **Generates revenue** for company through differences in exchange rates.

InterEX is a platform for exchanging telecommunications data airtime using a proprietary medium of exchange (IEx) to facilitate transactions within the community. IEx uses blockchain technology to fluidly facilitate this exchange between telecommunications operators and between mobile users on a global scale.

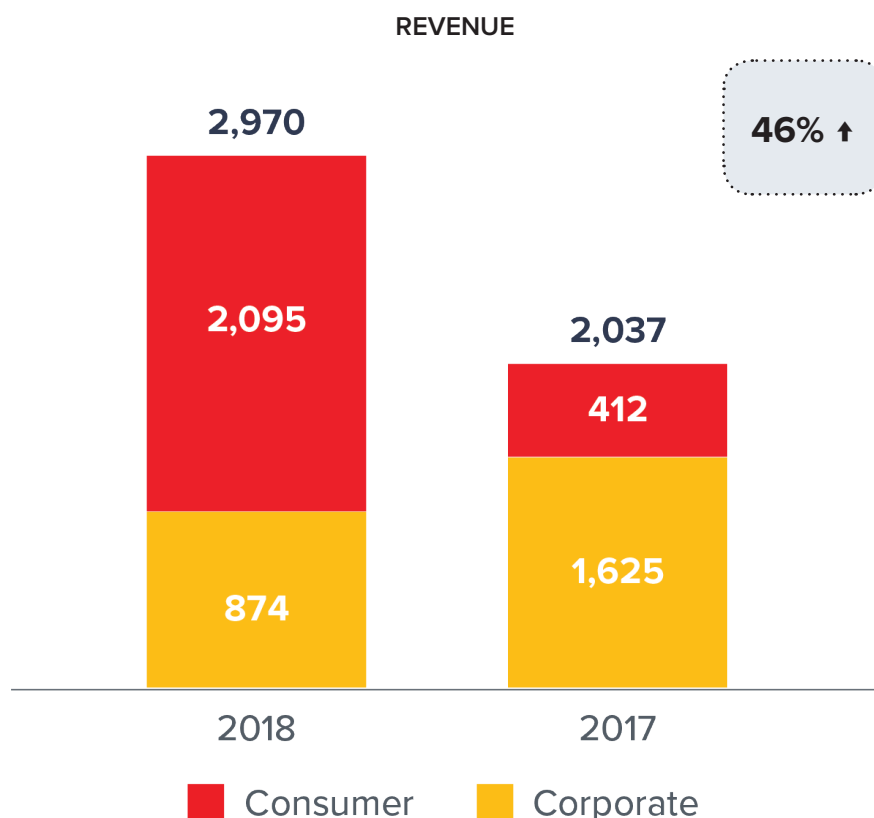
InterEX (Platform)			
 Maximise profits from unused data capacity	 Achieve highest savings by bidding for the best data rates by operator or user	 Provide ability to hedge against rising data costs by purchasing data capacity ahead of potential usage	 Reduce data wastage by buying exact data volumes according to geographical coverage required
IEx (Software)			
 Reduce cost of transaction therefore improving margins	 Reduce transaction time therefore improving cash flow	 IEx exchangeable with recognized cryptocurrencies such as Bitcoin and Ethereum	

FINANCIAL PERFORMANCE ANALYSIS

This section provides detailed information and analysis about the Group's financial performance in financial year 2018 compared to the previous reporting period in financial year 2017.

The operating result for 2018 shows growth for the Group as its flagship product Flexiroam X has built a user base that generates revenue. Through a marketing campaign named "Partner Distribution Program" launched in 1st April 2017, Flexiroam has been able to partner with over 240 partners and subpartners from 45 countries to distribute Flexiroam X products globally. Forging partnerships increases Flexiroam's physical exposure and accessibility all over the world.

GROWING REVENUE

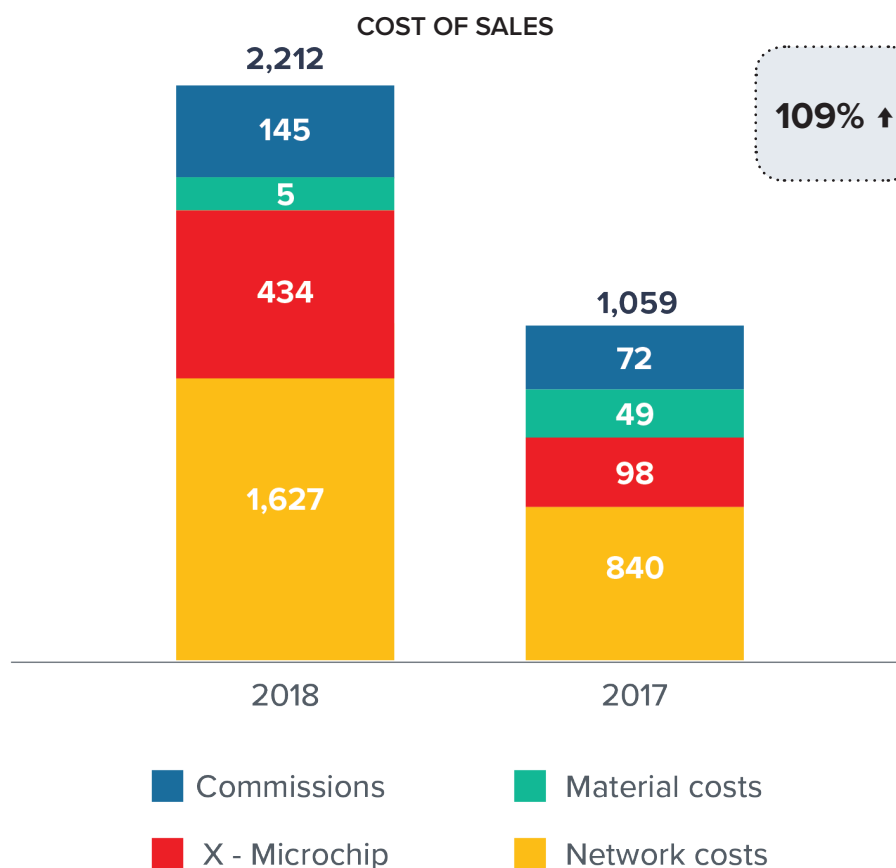


REVENUE (in \$'000)				
	2018	2017	\$ CHANGE	% CHANGE
Corporate	874	1,625	(751)	-46%
Consumer	2,095	412	1,683	408%
Total Revenue	2,970	2,037	933	46%

Total revenue has increased by 46% over the prior financial year. The growth is largely driven by high recurring transactions from the consumer segment. Currently, consumer sales constitute over 70% of the total revenue with a growth of over 400% as compared with the previous year. The shift of focus on consumer revenue helped to generate more income and generate more recurring revenues.

FINANCIAL PERFORMANCE ANALYSIS

INCREASE IN COST OF SALES AS DATA USAGE AND NUMBER OF MICROCHIP DISTRIBUTED INCREASES

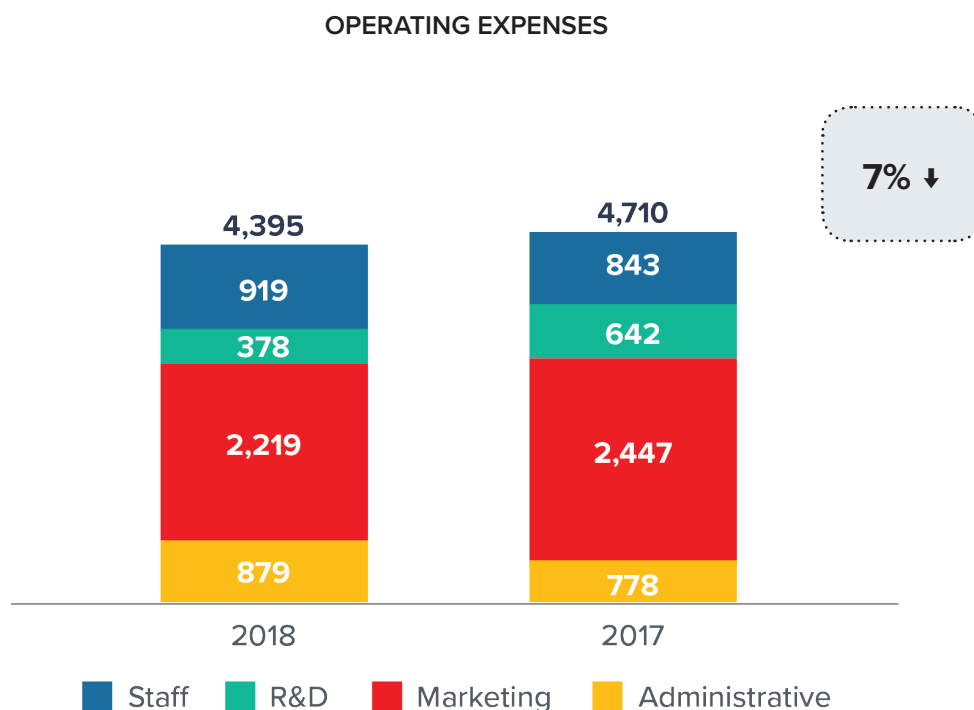


COST OF SALES (in \$'000)				
	2018	2017	\$ CHANGE	% CHANGE
Network costs	1,627	840	787	94%
X-Microchip costs	434	98	336	345%
Material costs	5	49	(44)	-89%
Commissions	145	72	73	101%
Total cost of sales	2,212	1,059	1,152	109%

Increase in user base results to an overall increase in total direct cost by 109% with network cost being the major contributing factor which comprises 74% of the total direct cost and an increase of 94% over the previous year. This results from the organic increase in the number of active users. Other direct costs such as x-microchip cost and commissions has increased by 345% and 101%, respectively as a result of growing partnerships globally.

FINANCIAL PERFORMANCE ANALYSIS

LOWER OPERATING EXPENSES AS TECHNOLOGY STABILIZES

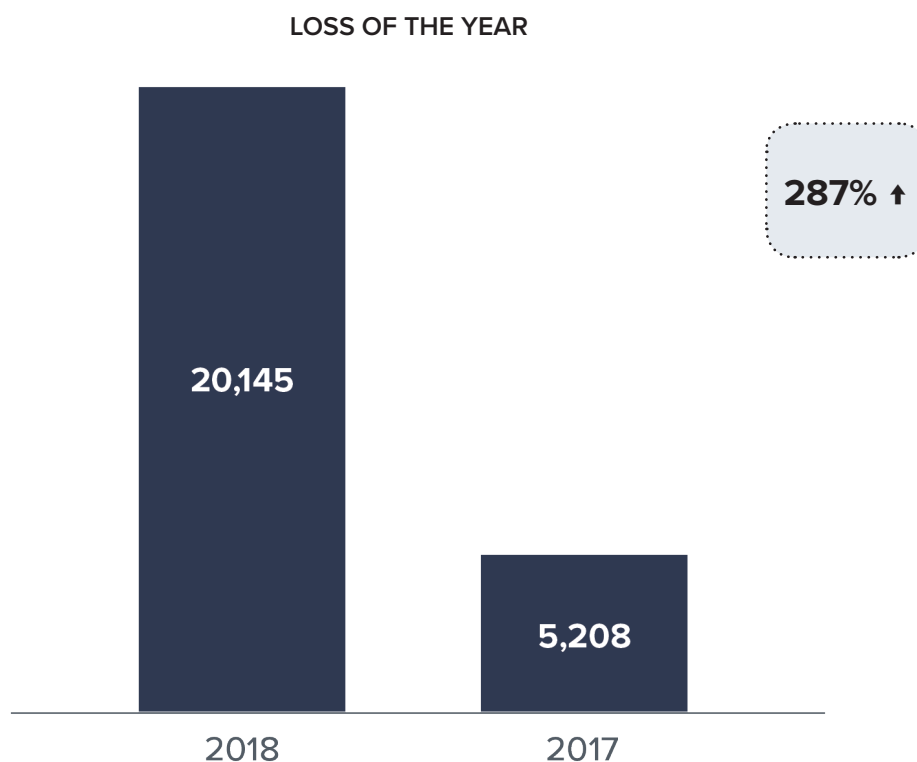


OPERATING EXPENSES (in \$'000)				
	2018	2017	\$ CHANGE	% CHANGE
Administrative	879	778	101	13%
Marketing	2,219	2,447	(228)	-9%
R&D	378	642	(264)	-41%
Staff	919	843	75	9%
Total	4,395	4,710	(316)	-7%

Total operating costs dropped slightly by 7% as a result of the optimisation of sales and marketing strategy and streamlining of research and development activities. Marketing cost and research and development cost decreased by 9% and 41% respectively, as compared with the previous year.

FINANCIAL PERFORMANCE ANALYSIS

INCREASED LOSS DUE TO NON-OPERATING FACTORS

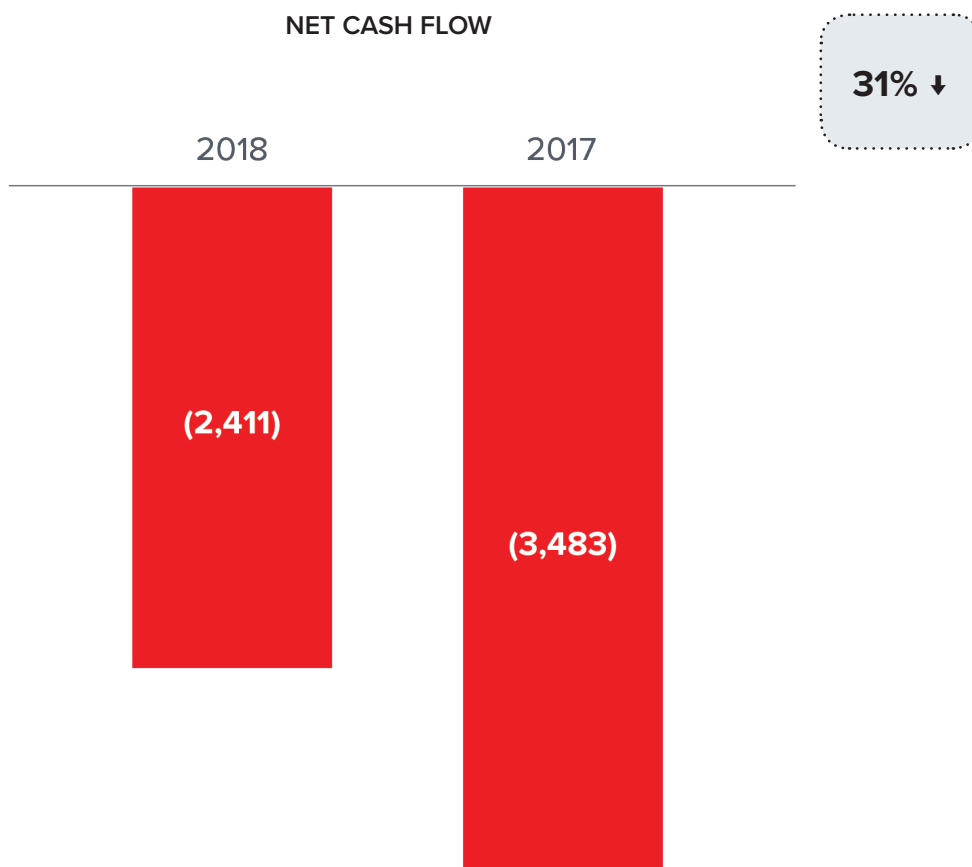


LOSS FOR THE YEAR (in \$'000)				
	2018	2017	\$ CHANGE	% CHANGE
Loss for the year	20,145	5,208	14,937	287%

Loss for the year increased by 287% over the previous year. The huge increase is primarily due to the impairment of intellectual property amounting to \$14,357,082 and other non-operating factors such as increase in finance expenses and foreign exchange losses and decrease in other income.

FINANCIAL PERFORMANCE ANALYSIS

IMPROVEMENT IN NET CASH OUTFLOW



CASH FLOW (in \$'000)				
	2018	2017	\$ CHANGE	% CHANGE
Net cash flow from operating activities	(2,454)	(3,423)	969	-28%
Net cash flow from investing activities	56	(34)	91	-264%
Net cash flow from financing activities	(13)	(25)	12	-47%
Net cash flow generated	(2,411)	(3,483)	1,072	-31%

Total net cash outflows improved by 31% primarily due to increase in receipts from customers by 39% brought about by high recurring consumer transactions. A number of factors also contributed to this improvement such as the decrease in payments for operating expenses by 5% and decrease in acquisition of plant and equipment by 49%. Flexiroam is working towards net cash flow positive position through focusing on building a bigger user base and generating more recurring revenue from customers.

CORPORATE CALENDAR

QUARTER 1

Apr 17 - Jun 17

03 Apr

UNIONPAY INTERNATIONAL

Collaboration through sales and marketing campaign to provide bonus data to UnionPay cardholders who purchase Flexiroam X data. The partnership increases exposure to financial institutions and the China market.



10 Apr

SCOOT TIGERAIR STAFF UNION

Partnership to promote Flexiroam X to Scoot Tigerair staff union's 1500 members. The partnership will promote Flexiroam to airline personnels.



19 Apr

AIRLINE PILOTS ASSOCIATION SINGAPORE (ALPA-S)

Flexiroam partners with ALPA-S to market Flexiroam X to its members. Flexiroam X is a roaming product that is beneficial to airline crew who frequently travel.



Air Line Pilots Association
Singapore

19 Jun

LAUNCHED NEW LOCAL DATA PLANS

Flexiroam launched new local data plans with plans starting from as low as \$1.60. This is specifically targeted at budget travellers who want cheaper data plans for specific travel destinations. The local data plans have been attractive to customers, increasing recurring revenue.

QUARTER 2

Jul 17 - Sep 17

03 Jul

KOREAN AIR

Flexiroam partners with South Korea's leading airline, Korean Air. The airline has 177 aircrafts and travels to 129 cities in 46 countries. Korean Air passengers from Southeast Asia and Oceania who purchase flight tickets online are eligible to get a free Flexiroam X starter pack. Partnerships with airlines increases Flexiroam's exposure in the travel industry and helps Flexiroam secure recurrent revenue streams from frequent travellers.

24 Jul

RHB SECURITIES SINGAPORE

Flexiroam partners with RHB, a brokerage firm to offer new RHB trading account clients a complementary Flexiroam X starter pack. The partnership increases awareness in the financial industry whilst benefiting from recurring revenue as traders requires to stay connected whilst overseas.

01 Aug

BLUWIRE

Flexiroam partners with Bluwire, a leading retailer of electronic products in the US which has 14 retail outlets in airports and casinos nationwide along with an online shop. This partnership increases Flexiroam's exposure in the US.

CORPORATE CALENDAR

14 Aug

TELEMART

Flexiroam enters the Pakistani and Middle-Eastern market through a partnership with Telemart, an electronic retail chain. Telemart has over 160 stores in 28 cities in Pakistan and Dubai and a strong online presence with 5 million subscribers. This partnership allows Flexiroam to gain a strong foothold in central asia and Middle-East.

28 Aug

EXACTTA

Flexiroam continues to increase distribution outlets in airports through partnering with Exactta, a pioneer in prepaid telecommunications industry. The partnership will increase Flexiroam's exposure in airports located in Europe, North America and South America.



20 Sep

KLM

Flexiroam forms a marketing partnership with leading European airline, KLM Royal Dutch to further increase Flexiroam's exposure in the airline industry.



QUARTER 3

Jan 18 - Mar 18

21 Feb

SCOOT AIRLINES

Flexiroam partners with Scoot Airlines to offer WiFi onboard, making Flexiroam a pioneer in offering in-air connectivity to its customers. Flexiroam enters a lucrative in-flight WiFi industry which has an estimated valuation of USD1 billion in 2018. This partnership increases Flexiroam's offering to its users as well as its partners' customers.

15 Mar

FLEXIROAM X² BETA

Flexiroam released the Flexiroam X² BETA, where selected candidates were given a special privilege to get 1 year of free data to be used for WhatsApp in over 130 countries. This campaign attracted interested candidates who referred friends to use Flexiroam. It also incentivizes subscribers to purchase a plan to benefit from free data.

31 Mar

41 LOCAL DATA PLANS

Due to the success of the local data plans, Flexiroam has rolled out a total of 41 local data plans which offers data roaming in specific popular travel destinations as well as regional plans for places such as Europe.

DIRECTOR'S REPORT

The Directors of Flexiroam Limited (**'the Company'**) and its controlled entities submit herewith their report together with the financial statements of the company (**'the Group'**) for the year ended 31 March 2018.

1. DIRECTORS

The names and particulars of the directors of the Company during or since the end of the year 31 March 2018 are:

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

DIRECTOR'S REPORT

1. DIRECTORS - CONTINUED

NAME	PARTICULARS
Wai Hong Fong (Appointed 1 October 2016)	Non-Executive Director Wai Hong is a serial tech entrepreneur and was named Australia's Best Young Entrepreneur in 2011 by StartupSmart. He was also amongst Melbourne's top 100 most influential people as published by The Age Newspaper that same year. Immediately after completing his BA at the University of Melbourne, he co-founded and was the Managing Director at OzHut, a multi niche online retailer for 5 years. He is also the co-founder of StoreHub, a Cloud Based Store Management System for SMEs. Storehub was a finalist in Alliancebank Bizsmart Academy SME Innovation Challenge (2014). Wai Hong has not held directorships in any other Australian listed companies during the past three financial years.
Cheryl Yeoh (Appointed 1 October 2016)	Non-Executive Director Cheryl Yeoh holds a Bachelor of Science in Operations Research and Industrial Engineering and a Masters of Engineering in Engineering Management. She was the founding CEO of Malaysian Global Innovation & Creative Centre (MaGIC). She also co-founded Reclip.It and CityPockets Inc. She currently runs her own advisory and consulting services company, Cheryl Yeoh & Co., and also serves as Acting CMO of Hack Reactor. Cheryl has not held directorships in any other Australian listed companies during the past three financial years.

The above named directors held office during and since the end of the year 31 March 2018, unless otherwise stated.

2. COMPANY SECRETARY

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

3. PRINCIPAL ACTIVITIES

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

4. REVIEW OF OPERATIONS

The information and analysis about the Group's financial performance in financial year 2018 are detailed in the Financial Performance Analysis section beginning on page 10 of this annual report.

The details on the appointment and resignation of directors in the 2018 financial year are disclosed elsewhere in the Director's Report beginning on page 17 of the 2018 annual report.

The information on corporate announcements in financial year 2018 is disclosed in the Corporate Calendar section beginning on page 15 of this annual report.

DIRECTOR'S REPORT

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

6. SIGNIFICANT EVENTS AFTER BALANCE DATE

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group in the financial year subsequent to 31 March 2018.

7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

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

8. ENVIRONMENTAL LEGISLATION

The entity is not subject to any significant environmental legislation.

9. MEETINGS OF DIRECTORS

The number of meetings of the company's Board of Directors attended by each Director during the year ended 31 March 2018 was:

DIRECTOR	MEETINGS HELD WHILE IN OFFICE	MEETINGS ATTENDED
Jefrey Ong	10	10
Dato Larry Gan Nyap Liou	10	6
Paul Khong	10	10
Cheryl Yeoh	10	7
Wai Hong Fong	10	8

The Board of Directors approved 3 circular resolutions during the year ended 31 March 2018 which were signed by all Directors of the Company.

10. REMUNERATION REPORT

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

10.1 Key Management Personnel Disclosed in this Report

- i) Jefrey Ong (Executive Director and Chief Executive Officer);
- ii) Dato' Larry Gan Nyap Liou (Non-Executive Director, appointed on 18 November 2015);
- iii) Paul Khong (Non-Executive Director, appointed on 22 April 2016);
- iv) Cheryl Yeoh (Non-Executive Director, appointed 1 October 2016);
- v) Wai Hong Fong (Non-Executive Director, appointed 1 October 2016);

DIRECTOR'S REPORT

10. REMUNERATION REPORT - CONTINUED

10.2 Remuneration Governance

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

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

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

10.3 Non-Executive Director Remuneration

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

The Directors had resolved that Non-Executive Directors' fees range up to \$36,000 per annum for each Non-Executive Director.

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

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

10.4 Executive Remuneration

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

a. Flexiroam Limited

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

10.4 Executive Remuneration

b. Summary of amounts paid to key management personnel

The table below discloses the compensation of the Key Management Personnel of the Group during the year ended 31 March 2018.

DIRECTOR'S REPORT

10. REMUNERATION REPORT - CONTINUED

10.4 Executive Remuneration

YEAR ENDED 31 MARCH 2018	SHORT-TERM EMPLOYEE BENEFITS SALARY & FEES	BONUS	POST-EMPLOYMENT SUPERANNUATION	SHARE-BASED PAYMENTS	TOTAL	PERCENTAGE OF TOTAL REMUNERATION FOR THE YEAR LINKED TO PERFORMANCE
	\$	\$	\$	\$	\$	%
Directors – Flexiroam Limited						
Jefrey Ong	150,013	-	3,711	-	153,724	-
Dato' Larry Gan	35,975	-	-	-	35,975	-
Nyap Liou	36,000	-	-	-	36,000	-
Paul Khong	35,996	-	-	-	35,996	-
Cheryl Yeoh	24,000	-	-	-	24,000	-
Wai Hong Fong						
Directors – Flexiroam Sdn Bhd						
Thian Choy Ong	18,632	-	-	-	18,632	-
Si Pin Lim	-	-	-	-	-	-
2018 Total	300,616	-	3,711	-	304,327	-

YEAR ENDED 31 MARCH 2017	SHORT-TERM EMPLOYEE BENEFITS SALARY & FEES	BONUS	POST-EMPLOYMENT SUPERANNUATION	SHARE-BASED PAYMENTS	TOTAL	PERCENTAGE OF TOTAL REMUNERATION FOR THE YEAR LINKED TO PERFORMANCE
	\$	\$	\$	\$	\$	%
Directors – Flexiroam Limited						
Jefrey Ong	151,875	-	3,776	-	155,651	-
Adam Sierakowski	19,097	-	-	-	19,097	-
Stephen Hewitt-Dutton	14,419	-	-	-	14,419	-
Dato' Larry Gan	36,115	-	-	-	36,115	-
Nyap Liou	-	-	-	-	-	-
Dr Joe Wong	34,000	-	-	-	34,000	-
Paul Khong	18,477	-	-	-	18,477	-
Cheryl Yeoh	12,000	-	-	-	12,000	-
Wai Hong Fong						
Directors – Flexiroam Sdn Bhd						
Thian Choy Ong	18,959	-	-	-	18,959	-
Si Pin Lim	-	-	-	-	-	-
2017 Total	304,942	-	3,776	-	308,718	-

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position (31 March 2017: \$nil).

No cash bonus were granted as compensation for the current financial year (31 March 2017: \$nil).

10.4 Executive Remuneration

c. Employee share option plan

No employee share options were granted as remuneration for the current financial year (31 March 2017: \$nil).

DIRECTOR'S REPORT

10. REMUNERATION REPORT - CONTINUED

10.5 Equity Holdings of Key Management Personnel

a. Fully paid ordinary shares

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

31 MARCH 2018	BALANCE AT 1 APRIL 2017	ALLOT-MENT/ PUR-CHASE OF SHARES	DISPO-SAL OF SHARES	NET OTHER CHANGES	BALANCE AT 31 MARCH 2018	BALANCE HELD NOMINAL-LY
NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
Directors – Flexiroam Limited						
Jefrey Ong	96,287,309	48,339,280	(96,000,000)	-	48,626,589	-
Dato' Larry Gan Nyap Liou	3,629,990	10,000,000	-	-	13,629,990	13,429,990
Paul Khong	260,686	-	-	-	260,686	240,000
Cheryl Yeoh	-	-	-	-	-	-
Wai Hong Fong	-	-	-	-	-	-
Directors – Flexiroam Sdn Bhd						
Thian Choy Ong	-	48,000,000	-	-	48,000,000	-
Si Pin Lim	4,500,000	-	-	-	4,500,000	-

b. Share options

During the year ended 31 March 2018 no share options were granted or exercised by key management personnel.

c. Performance rights

During the year ended 31 March 2018 no share performance rights were granted or exercised by key management personnel.

10.6 Voting and Comments made at the Company's 2017 Annual General Meeting

The Company received more than 99% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration reports for the 2017 financial period. The Company did not receive any specific feedback at the AGM or throughout the period on its remuneration practices.

10.7 Loans to Key Management Personnel

There were no loans to key management personnel.

10.8 Other Transactions with Key Management Personnel

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

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

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

DIRECTOR'S REPORT

11. INDEMNIFYING OFFICERS OR AUDITORS

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

12. INSURANCE

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

13. PROCEEDINGS ON BEHALF OF COMPANY

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

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

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

DIRECTORS	FULLY PAID ORDINARY SHARES	SHARE OPTIONS	PERFORMANCE RIGHTS
	NUMBER	NUMBER	NUMBER
Directors – Flexiroam Limited			
Jefrey Ong	48,626,589	-	-
Dato' Larry Gan Nyap Liou	13,629,990	-	-
Paul Khong	260,686	-	-
Cheryl Yeoh	-	-	-
Wai Hong Fong	-	-	-
Directors – Flexiroam Sdn Bhd			
Thian Choy Ong	48,000,000	-	-
Si Pin Lim	4,500,000	-	-

DIRECTOR'S REPORT

15. SHARE OPTIONS

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

16. NON-AUDIT SERVICES

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

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

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

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

	YEAR ENDED 31 MARCH 2018	YEAR ENDED 31 MARCH 2017
	\$	\$
Non-audit services		
Tax advisory services		
HLB Mann Judd and component auditors	-	4,171
BDO Australia and component auditors	8,670	-
Total non-audit services	8,670	4,171

17. DIVIDENDS

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

18. AUDITOR'S INDEPENDENCE DECLARATION

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



Jefrey Ong
Chief Executive Officer
Signed on this 27th day in June 2018

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF FLEXIROAM LIMITED

As lead auditor of Flexiroam Limited for the year ended 31 March 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Flexiroam Limited and the entities it controlled during the period.



Glyn O'Brien

Partner

BDO Audit (WA) Pty Ltd

Perth, 27 June 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
			(Restated)
Revenue	8	2,969,873	2,037,336
Cost of sales	9	(2,211,516)	(1,059,203)
Gross profit		<u>758,357</u>	<u>978,133</u>
Interest received		29,928	91,964
Foreign exchange (losses) / gains		(81,123)	445,140
Gain from disposal of available-for-sale shares		63,854	-
Other income		3,971	14,881
Administration and operating expenses	10	(879,722)	(778,303)
Marketing expenses		(2,218,688)	(2,447,001)
Research and development		(377,894)	(641,820)
Staff costs		(918,514)	(843,219)
Depreciation and amortisation		(1,933,410)	(1,961,224)
Allowance for doubtful debtors		(8,493)	(33,252)
Finance expenses		(225,909)	(37,613)
Impairment of intellectual property	17	<u>(14,357,082)</u>	<u>-</u>
Loss before income tax		(20,144,725)	(5,212,314)
Income tax benefit	23	<u>-</u>	<u>3,869</u>
Loss for the year		<u>(20,144,725)</u>	<u>(5,208,445)</u>
Other comprehensive income / (loss)			
Items that may be re-classified to profit or loss:			
Foreign exchange translation		1,750,523	(2,579,357)
Revaluation of available-for-sale assets		<u>(72,636)</u>	<u>72,636</u>
Total other comprehensive income / (loss), net of tax		<u>1,677,887</u>	<u>(2,506,721)</u>
Total comprehensive loss for the year		<u>(18,466,838)</u>	<u>(7,715,166)</u>
Loss per share (basic and diluted)	26	\$ (0.10)	\$ (0.03)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	NOTES	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
			(Restated)
CURRENT ASSETS			
Cash and cash equivalents	11	792,446	3,145,770
Trade and other receivables	12	63,918	68,537
Inventory	14	13,644	201,048
Available-for-sale financial assets	15	-	82,836
Other assets	16	63,551	75,852
Total current assets		933,559	3,574,043
NON-CURRENT ASSETS			
Intellectual property	17	-	14,631,983
Plant and equipment	18	217,522	240,931
Total non-current assets		217,522	14,872,914
Total Assets		1,151,081	18,446,957
CURRENT LIABILITIES			
Trade and other payables	19	1,053,516	276,992
Deferred revenue	20	791,917	389,959
Borrowings	21	15,117	12,666
Total current liabilities		1,860,550	679,617
NON-CURRENT LIABILITIES			
Borrowings	21	26,692	36,663
Total non-current liabilities		26,692	36,663
Total Liabilities		1,887,242	716,280
Net Assets/(Liabilities)		(736,161)	17,730,677
EQUITY			
Issued capital	24	36,268,139	36,268,139
Reserves	25	(2,189,921)	(3,867,808)
Accumulated losses		(34,819,379)	(14,669,654)
Total equity/(shareholders' deficit)		(736,161)	17,730,677

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	ISSUED CAPITAL \$	OPTION AND PERFORMANCE RIGHTS RESERVE \$	FOREX TRANSLATION RESERVE \$	AVAILABLE- FOR-SALE RESERVE \$	ACCUMULAT- ED LOSSES \$	TOTAL \$
Balance at 1 April 2016	35,863,139	704,993	(1,661,080)	-	(9,461,209)	25,445,843
Loss for the year	-	-	-	-	(5,208,445)	(5,208,445)
Other comprehensive (loss)/income for the year	-	-	(2,579,357)	72,636	-	(2,506,721)
Total comprehensive (loss)/income for the year	-	-	(2,579,357)	72,636	(5,208,445)	(7,715,166)
Share-based payments	405,000	(405,000)	-	-	-	-
Balance at 31 March 2017 (Restated)	36,268,139	299,993	(4,240,437)	72,636	(14,669,654)	17,730,677
Balance at 1 April 2017	36,268,139	299,993	(4,240,437)	72,636	(14,669,654)	17,730,677
Loss for the year	-	-	-	-	(20,144,725)	(20,144,725)
Other comprehensive (loss)/income for the year	-	-	1,750,523	(72,636)	-	1,677,887
Total comprehensive (loss)/income for the year	-	-	1,750,523	(72,636)	(20,144,725)	(18,466,838)
Balance at 31 March 2018	36,268,139	299,993	(2,489,914)	-	(34,814,379)	(736,161)

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Cash flows from operating activities			(Restated)
Receipts from customers		3,379,875	2,438,762
Payments to suppliers and employees		(5,638,052)	(5,916,119)
Interest paid		(225,909)	(37,613)
Interest received		29,928	91,964
Net cash flows (used in)/provided by operating activities	13	(2,454,158)	(3,423,006)
Cash flows from investing activities			
Purchase of plant and equipment		(17,594)	(34,401)
Proceeds from disposal of AFS shares		74,054	-
Net cash flows (used in)/provided by investing activities		56,460	(34,401)
Cash flows from financing activities			
Repayment of advances		-	(12,485)
Borrowings - payments		(13,358)	(12,678)
Net cash flows (used in)/provided by financing activities		(13,358)	(25,163)
Net (decrease)/increase in cash and cash equivalents		(2,411,056)	(3,482,570)
Cash and cash equivalents at the beginning of the year		3,145,770	6,709,288
Foreign exchange fluctuations on opening cash balances		57,732	(80,948)
Cash and cash equivalents at the end of the year		792,446	3,145,770

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

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

2. RECLASSIFICATION

A reclassification has been made to prior period’s financial statements for the year ended 31 March 2017 in order to conform to the current year’s presentation. Specifically, a total of \$400,613 related to network costs which was included in cost of sales had been reclassified to be included in marketing expenses. The network costs of \$400,613 were incurred as a result of free data promotion distributed for customer acquisition activities effort through various marketing campaigns. The reclassification had no impact on results of operations previously reported.

3. ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

3.1 Standards and Interpretations applicable to 31 March 2018

In the year ended 31 March 2018, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

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

3.2 Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 31 March 2018. As a result of this review the Directors have determined that the following Standards and Interpretations will have an effect on the Company in the future reporting periods:

a. AASB 15 “Revenue from Contracts with Customers”

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

3.2 Standards and Interpretations in issue not yet adopted

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

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

Impact of AASB 15

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

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

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

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

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

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

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

b. AASB 9 "Financial Instruments"

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

c. AASB 16 "Leases"

This standard issued in February 2016 is applicable to annual reporting periods beginning on 1 January 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases, unless the underlying asset is of short-term and low-value. The new standard when adopted is not expected to have a material impact on the Group's financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. GOING CONCERN

The Group incurred an operating loss of \$20,144,725 for the year ended 31 March 2018 (31 March 2017 loss: \$5,208,445) and a net cash outflow from operating activities amounting to \$2,454,158 (31 March 2017 outflow: \$3,423,006). As at 31 March 2018, the Group has a net working capital deficit of \$135,074 net of deferred revenue (31 March 2017 surplus of \$3,284,385). The ability of the Group to continue as a going concern is dependent on the Group achieving positive operating cash flows and/or securing additional funding through capital raising to continue to fund its operational and marketing activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as going concern.

The Directors are satisfied that the going concern basis of preparation is appropriate and there are reasonable grounds to believe that the Group will continue as going concern due to the following factors:

- The Directors have received undertakings of financial support from the Group's major shareholders to assist it in meeting its financial obligations as when they fall due;
- The Directors are confident in the outlook of improved financial performance of the business to deliver future profitable operations; and/or
- The Company is able to raise further capital based on historical success.

Should the consolidated entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the consolidated entity not continue as a going concern.

5. VOLUNTARY CHANGE IN ACCOUNTING POLICY

The consolidated statements have been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to the X-Microchips. The previous accounting policy was to account for the X-Microchips as an item of Property, Plant and Equipment in accordance with AASB 116 Property, Plant and Equipment. The company has determined that since the X-Microchips are assets distributed to customers to facilitate the rendering of data roaming services, it would be more appropriate to account for the X-Microchips as an item of inventory in accordance with AASB 102 Inventories. The change in accounting policy is shown in the table below:

Consolidated Statement of Financial Position (Extract)

	AS AT 31 MARCH 2017 \$ (Previous Policy)	(INCREASE) / DECREASE \$	AS AT 31 MARCH 2017 \$ (Restated)
Inventory	-	201,048	201,048
Plant and equipment	513,590	(272,659)	240,931
Total Assets	18,518,568	(71,611)	18,446,957
Reserves	(3,869,297)	1,489	(3,867,808)
Accumulated losses	(14,596,554)	(73,100)	(14,669,654)
Total Equity	17,802,288	(71,611)	17,730,677

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. VOLUNTARY CHANGE IN ACCOUNTING POLICY - CONTINUED

Consolidated Income Statement (Extract)

	YEAR ENDED 31 MARCH 2017 \$	(INCREASE) / DECREASE \$	YEAR ENDED 31 MARCH 2017 \$
	(Previous Policy)		(Restated)
Loss for the year	(5,135,345)	(73,100)	(5,208,445)

6. SIGNIFICANT ACCOUNTING POLICIES

6.1 Basis of Preparation and Statement of Compliance

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

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

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

6.2 Basis of Consolidation

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

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

a. Segment reporting

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

b. Foreign currency translation

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

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

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

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

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

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

c. Revenue recognition

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

Telecommunication revenue

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

c. Revenue recognition

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

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

Interest income

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

d. Cash and cash equivalents

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

e. Trade and other receivables

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

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

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

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

f. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

g. Financial instruments

Recognition and initial measurement

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

g. Financial instruments

Classification and subsequent measurement

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

Amortised cost

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

Effective interest rate method

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

Derecognition

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

Fair value

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

Impairment of financial assets

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

h. Plant & equipment

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

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

Plant and equipment	5 years
Beamer	10 years

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

Impairment

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

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

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

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

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

Derecognition and disposal

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

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

i. Trade and other payables

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

j. Borrowings

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

j. Borrowings

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

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

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

k. Intangible assets

Intangible assets acquired separately

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

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

Intangible assets acquired in a business combination

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

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

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

Impairment of Intangible asset

The Group assesses at each reporting date whether there is an indication that the intangible assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset of cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

l. Goods and services tax

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

l. Goods and services tax

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

m. Income tax

Current tax

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

Deferred tax

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

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

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

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

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

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

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

Current and deferred tax for the period

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

n. Issued capital

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

o. Share-based payment transactions

Equity settled transactions

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

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

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

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

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

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

- i. the extent to which the vesting period has expired; and
- ii. the Group's best estimate of the number of equity instruments that will ultimately vest.

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

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

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

p. Parent entity financial information

The financial information for the parent entity, Flexiroam Limited, disclosed in Note 28 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries

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

Share-based payments

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

q. Employee benefits

Short term benefits

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

6.3 Significant Accounting Policies Adopted

q. Employee benefits

Defined contribution plans

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

r. Earnings/loss per share

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

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

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

s. Critical accounting judgements and key sources of estimation uncertainty

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

Impairment of intellectual property

Determining whether intellectual property is impaired requires an estimation of the recoverable amount. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of intellectual property as at 31 March 2018 is \$nil (31 March 2017: \$14,631,983) after an impairment loss of \$14,357,082 was recognised during the financial year. Details of the impairment loss calculation are provided in Note 17 of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT

a. Categories of financial instruments

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Financial assets		
Cash and cash equivalents	792,446	3,145,770
Trade and other receivables	63,918	68,537
Available-for-sale financial assets	-	82,836
Financial liabilities		
Trade and other payables	718,812	99,086
Borrowings	41,809	49,330

b. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2017.

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

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

c. Financial risk management objective and policies

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

d. Market risk

Foreign currency risk

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT - CONTINUED

d. Market risk

Foreign currency risk management

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

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

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Financial assets		
Cash and cash equivalents	76,940	1,839,386
Available-for-sale financial assets	-	82,836
Financial liabilities		
Trade and other payables	30,556	46,974

Foreign currency sensitivity analysis

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT - CONTINUED

d. Market risk

Foreign currency sensitivity analysis

		RM & USD DOWN 0.5%		RM & USD UP 0.5%	
		AUD UP 0.5%	(LOSS)	AUD DOWN 0.5%	GAIN
	\$	\$	\$	\$	\$
31 MAR 2018					
Financial assets					
Cash and cash equivalents	76,940	76,555	(385)	77,325	385
Financial liabilities					
Trade and other payables	30,556	30,403	(153)	30,709	153
31 MAR 2017					
Financial assets					
Cash and cash equivalents	1,839,386	1,830,189	(9,197)	1,848,583	9,197
Financial liabilities					
Trade and other payables	46,974	46,739	(235)	47,209	235

Credit risk

Credit risk is the risk of default by clients and counterparties. Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. It is the Company's policy to monitor the financial standing of these counterparties on an on-going basis to ensure that the Group's exposure to credit risk is minimal. The Group has no material credit risk exposure as at 31 March 2018.

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

	NOTES	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Cash and cash equivalents			
AA rated	11	792,446	3,145,770
		792,446	3,145,770

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT - CONTINUED

d. Market risk

Interest rate risk

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

	NOTES	EFFECTIVE INTEREST RATE	FLOATING INTEREST RATE \$	1 YEAR OR LESS \$	1 TO 5 YEARS \$	NON-INTEREST BEARING \$	TOTAL \$
31 MAR 2018							
Financial assets							
Cash assets	11	1%-3.20%	-	44,891	-	747,555	792,446
Trade and other receivables	12	-	-	-	-	63,918	63,918
			-	44,891	-	811,473	856,364
Financial liabilities							
Trade and other Payables	19	-	-	-	-	718,812	718,812
Borrowings	21	4.4%	-	15,117	26,692	-	41,809
			-	15,117	26,692	718,812	760,621
31 MAR 2017							
Financial assets							
Cash assets	11	0.6%-3.20%	-	1,650,119	-	1,495,651	3,145,770
Trade and other receivables	12	-	-	-	-	68,537	68,537
Available-for-sale	15	-	-	-	-	82,836	82,836
			-	1,650,119	-	1,647,024	3,297,143
Financial liabilities							
Trade and other payables	19	-	-	-	-	99,086	99,086
Borrowings	21	4.4%	-	12,666	36,663	-	49,329
			-	12,666	36,663	99,086	148,415

Interest rate risk

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

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net revenue would increase by \$224 and decrease by \$224 respectively (31 March 2017: \$8,251).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. FINANCIAL RISK MANAGEMENT - CONTINUED

d. Market risk

Liquidity and cash flow risk

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

Fair values

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

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

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

8. REVENUE

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Corporate sales ¹	874,482	1,625,093
Consumer sales ²	2,095,391	412,243
	2,969,873	2,037,336

¹ Corporate sales consist of business to business transactions involving local and foreign travel agencies.

² Consumer sales consist of business to consumer transactions involving local and foreign travellers.

9. COST OF SALES

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
		(Restated)
Network costs	1,627,257	^[a] 840,138
X-Microchip costs	433,713	97,512
Material costs	5,459	49,203
Commissions	145,087	72,350
	2,211,516	1,059,203

^a The amount of \$400,613 which was related to costs of acquiring subscribers had been reclassified as marketing expenses to be reflected as an element of indirect costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. ADMINISTRATION AND OPERATING EXPENSES

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Office equipment and general maintenance	9,035	8,656
Others costs	97,053	33,130
Professional fees	418,775	416,155
Rental	185,217	197,001
Software and stationery	52,791	32,582
Talent and recruitment	46,681	21,261
Travelling and transportation	28,490	44,623
Utilities	41,680	24,895
	879,722	778,303

11. CASH AND CASH EQUIVALENTS

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Cash at bank	792,446	3,145,770
	792,446	3,145,770

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

12. TRADE AND OTHER RECEIVABLES

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Trade receivables	8,355	20,921
GST claims receivable	22,464	26,539
Other receivables	33,099	21,077
	63,918	68,537

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

13. CASH FLOW INFORMATION

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

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
		(Restated)
Loss for the period	(20,144,725)	(5,208,445)
Impairment of intellectual property	14,357,082	-
Depreciation and amortisation	1,933,410	1,961,224
Forex movements	81,126	(494,026)
Gain from disposal of AFS shares	(63,854)	-
Decrease in trade and other receivables	4,619	28,813
Increase in inventory	187,403	(201,047)
Decrease/(Increase) in other assets	12,300	(69,645)
Increase in trade and other payables	776,524	175,276
Increase in deferred revenue	401,957	389,205
Decrease in deferred tax	-	(4,361)
Net cash from operating activities	(2,454,158)	(3,423,006)

14. INVENTORY

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
		(Restated)
Opening balance	201,048	-
Purchases	246,309	298,560
Transfer to cost of sales	(433,713)	(97,512)
Closing balance	13,644	201,048

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Opening balance	82,836	10,200
Fair value adjustment	-	72,636
Disposal	(82,836)	-
Closing balance	-	82,836

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. OTHER ASSETS

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Prepayments	63,551	75,852
Opening balance	75,852	6,207
Net additions	(12,301)	69,645
Closing balance	63,551	75,852

17. INTELLECTUAL PROPERTY

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Carrying value opening balance	14,631,983	18,494,452
Amortisation	(1,863,138)	(1,895,854)
Impairment	(14,357,082)	-
Foreign exchange translation effects	1,588,237	(1,966,615)
Carrying value closing balance	-	14,631,983

The intellectual property asset is an international roaming service for travellers who travel overseas to make and receive unlimited calls at a fixed rate by linking their home mobile number to their overseas number. It operates on a sophisticated integrated network of services, forming a unified system now known as Flexiroam Tracking System (FTS) and comprises of patent filings on its core technology and brand trademarks across 5 countries.

The Management have undertaken an impairment assessment of its intellectual property in accordance with AASB 136 Impairment of assets. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates, and expected changes to selling price and direct costs during the forecast period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risk specific to the asset. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

During current financial year, the Group has shifted its strategic focus from the corporate to consumer market due to the significant commercial opportunities available. The Directors are confident in relation to the longer term outlook for the business however due to the current losses incurred by the business and the uncertainty of future results as the business matures, the Directors considered it appropriate to impair the intellectual property as at 31 March 2018.

It is the Directors' view that the accounting impairment does not impact the ongoing operations of the business and the intellectual property continues to be relevant in generating future economic benefit to the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. PROPERTY, PLANT AND EQUIPMENT

As at 31 March 2018, the Group's property, plant and equipment consists of the following:

	FURNITURE & FITTINGS \$	OFFICE EQUIPMENT \$	COMPUTER \$	RENOVATION \$	MOTOR VEHICLE ¹ \$	BEAMER ² \$	TOTAL \$
AT COST							
As at 1 April 2016	10,169	28,032	12,465	157,170	96,116	42,987	346,939
Additions	-	8,610	14,368	11,422	-	-	34,400
Foreign exchange effects	(1,149)	(3,690)	(2,282)	(18,447)	(10,856)	(4,855)	(41,279)
As at 31 March 2017	9,020	32,952	24,551	150,145	85,260	38,132	340,060
Additions	-	214	9,762	7,617	-	-	17,593
Adjustments	(6)	167	(94)	-	-	-	67
Foreign exchange effects	1,267	4,658	4,243	21,702	11,967	5,352	49,189
As at 31 March 2018	10,281	37,991	38,462	179,464	97,227	43,484	406,909
ACCUMULATED DEPRECIATION							
As at 1 April 2016	1,397	8,891	1,714	22,339	8,009	358	42,708
Depreciation expense	1,924	6,650	3,880	30,645	18,201	4,070	65,370
Foreign exchange effects	(279)	(1,424)	(439)	(4,457)	(2,053)	(297)	(8,949)
As at 31 March 2017	3,042	14,117	5,155	48,527	24,157	4,131	99,129
Depreciation expense	1,889	6,969	6,548	32,943	17,916	4,006	70,271
Adjustments	(6)	107	(34)	-	-	-	67
Foreign exchange effects	588	2,586	1,281	9,623	4,920	922	19,920
As at 31 March 2018	5,513	23,779	12,950	91,093	46,993	9,059	189,387
CARRYING AMOUNT							
As at 31 March 2017	5,978	18,835	19,396	101,618	61,103	34,001	240,931
As at 31 March 2018	4,768	14,212	25,512	88,371	50,234	34,425	217,522

¹ Motor vehicle is used as security for the borrowings.

² Beamer is a wireless router device which acts as a WiFi hotspot that can be connected to a cellular network and provide internet access to other devices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. TRADE AND OTHER PAYABLES

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Trade payables	718,812	99,086
Accruals	334,704	177,906
	1,053,516	276,992

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

20. DEFERRED REVENUE

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Corporate sales	7,561	153,108
Consumer sales	784,356	236,851
	791,917	389,959

Reconciliation

Opening balance	389,959	754
Net additions	397,785	389,293
Foreign exchange translation effects	4,173	(88)
Closing balance	791,917	389,959

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

21. BORROWINGS

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Minimum hire purchase payments:		
Within 12 months	16,605	14,561
After 1 year to 5 years	27,675	38,829
	44,280	53,390
Less: Future interest charges	(2,471)	(4,061)
Present value of hire purchase	41,809	49,329
Repayable as follows:		
Current liabilities - within 1 year	15,117	12,666
Long term liabilities - after 1 year to 5 years	26,692	36,664
	41,809	49,329

Borrowings are secured by motor vehicles with a carrying value of \$50,234 (31 March 2017: \$61,103), as disclosed in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. DEFERRED TAX

Deferred tax liabilities

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Opening balance	-	4,361
Foreign exchange	-	(492)
Transferred from income statement	-	(3,869)
Closing balance	-	-

The Group has tax losses arising in Australia of \$1,490,065 (31 March 2017: \$1,113,523) that are available indefinitely for offset against future taxable profits.

23. INCOME TAX

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Current year tax		
Income tax	-	-
Deferred tax		
Current year deferred tax	-	(3,869)
Numerical reconciliation between tax expense and pre-tax net profit		
Loss before income tax	(20,144,725)	(5,212,314)
Income tax using the domestic corporation tax rate of 27.50% (2017 : 30%)	(5,539,799)	(1,563,694)
Overseas tax rates adjustment*	828,984	370,518
Increase/(decrease) in income tax expense due to:		
Non-deductible expenses:		
· Other	4,166,006	663,365
Add/(deduct) adjustments due to:		
· Unused tax losses not recognised as deferred tax assets	580,460	522,299
· Other timing differences not recognised	(35,651)	7,512
· Reversal of recognised deferred tax	-	(3,869)
Income tax expense/(benefit)	-	(3,869)
Unrecognised deferred tax balances		
· Tax losses	1,851,546	1,308,337
· Other timing differences not recognised	145,495	139,058
	1,997,041	1,447,395

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24. ISSUED CAPITAL

	Number	\$
Ordinary shares issued (net of share issue costs)	193,689,501	36,268,139
Reconciliation		
Balance at 1 April 2016	190,989,501	35,863,139
Share issue – 5 April 2016 ¹	2,700,000	405,000
Balance at 31 March 2017	193,689,501	36,268,139
Balance at 1 April 2017	193,689,501	36,268,139
Movements for the period	-	-
Balance at 31 March 2018	193,689,501	36,268,139

¹On 5 April 2016, following Shareholders approval obtained on 30 March 2016, 2,700,000 fully paid ordinary shares were issued to Jeffrey Ong (and/or his nominees) for his contribution to the Company's achievement of a \$6 million revenue milestone.

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

Dividends

No dividends were paid or proposed during the year ended 31 March 2018 (31 March 2017: \$nil).

25. RESERVES

Foreign currency translation reserve

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

Option and performance rights reserve

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

Available-for-sale reserve

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. LOSS PER SHARE

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

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

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Loss attributable to ordinary equity holders	(20,144,725)	(5,208,445)
	NUMBER	NUMBER
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	193,689,501	193,659,912
	\$/SHARE	\$/SHARE
Loss per share (basic and diluted)	(0.10)	(0.03)

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

27. RELATED PARTY TRANSACTIONS

a. Key management personnel

Compensation of key management personnel

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Short-term employee benefits	300,616	304,942
Bonus	-	-
Post-employment superannuation	3,711	3,776
Share-based payments	-	-
	304,327	308,718

b. Subsidiaries

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

NAME	COUNTRY OF INCORPORATION	% EQUITY INTEREST	
		2018	2017
Super Bonus Profit Sdn Bhd	Malaysia	100%	100%
Flexiroam Sdn Bhd	Malaysia	100%	100%
Flexiroam Asia Limited	Hong Kong	100%	100%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. RELATED PARTY TRANSACTIONS - CONTINUED

c. Transactions with related parties

i) Flexiroam Limited

Company secretarial and accounting services

Adam Sierakowski is a Director of Trident Management Services Pty Ltd ("Trident Management Services"), which provided the Company with accounting and company secretarial services in the prior year. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Management Services for the year ended 31 March 2018 was \$nil (31 March 2017: \$20,890 (including GST)). The amount payable to Trident Management Services as at 31 March 2018 was \$nil (31 March 2017: \$nil).

Legal services

Adam Sierakowski is a Director of Price Sierakowski Pty Ltd ("Price Sierakowski"), which provided the Company with legal services in the prior year. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Price Sierakowski for the year ended 31 March 2018 was \$nil (31 March 2017: \$303 (including GST)).

Recapitalisation, corporate advisory and office rental services

Adam Sierakowski is a Director of Trident Capital Pty Ltd ("Trident Capital") which provided the Company with recapitalisation services, corporate advisory services and office accommodation services in the prior year. These services provided were based upon normal commercial terms and conditions no more favourable than those available to other parties. The amount paid to Trident Capital for the year ended 31 March 2018 was \$nil (31 March 2017: \$5,500 (including GST)).

28. LEGAL PARENT ENTITY INFORMATION

The following detailed information is related to the parent entity, Flexiroam Limited, as at 31 March 2018.

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Current assets	94,178	119,024
Non-current assets	(791,596)	14,472,047
Total assets	(697,418)	14,591,071
Current liabilities	38,743	38,315
Total liabilities	38,743	38,315
Contributed equity	17,385,382	17,385,382
Accumulated losses	(18,421,536)	(3,205,255)
Reserves	299,993	372,629
Total equity	(736,161)	14,552,756
Loss for the year	(14,509,720)	(288,030)
Other comprehensive income for the year	-	-
Total comprehensive loss for the year	(14,509,720)	(288,030)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

29. SIGNIFICANT EVENTS AFTER BALANCE DATE

Except for the events described below, there were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group or the state of affairs of the Group in the financial period subsequent to 31 March 2018.

The Management, after several in-depth discussions with the external auditors on the impairment model with reference to AASB 136 has decided to write off the carrying amount of the intellectual property to \$nil by recognising an impairment loss of \$14,357,082 during the financial year ended 31 March 2018. This has created a significant difference between the financial results presented in Appendix 4E and this annual report. Refer to Note 17 of the financial statements for the details.

30. COMMITMENTS AND CONTINGENCIES

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

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

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

31. AUDIT AND OTHER SERVICES

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

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Audit and other assurance services		
Audit and review of financial statements		
HLB Mann Judd and component auditors	-	95,582
BDO Australia and component auditors	82,526	-
Total remuneration for audit and other assurance services	82,526	95,582
Non-audit services		
Tax advisory services		
HLB Mann Judd and component auditors	-	4,171
BDO Australia and component auditors	8,670	-
Total non-audit services	8,670	4,171

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SEGMENT REPORTING

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

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

As at 31 March 2018, the Group operated in one business segment being the telecommunication business segment and seven geographical market segments, namely the telecommunications market in Malaysia, Singapore, Indonesia, Australia, UAE, Taiwan and other countries where each country have contributed less than 10% to total sales for the current period.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SEGMENT REPORTING – CONTINUED

	MALAYSIA \$	SINGAPORE \$	INDONESIA \$	AUSTRALIA \$	UAE \$	TAIWAN \$	OTHERS \$	UNALLO- CATED \$	TOTAL \$
YEAR ENDED 31 MARCH 2018									
Revenue									
Corporate	395,081	22,959	30,847	12,308	108,795	5,609	298,883	-	874,482
Consumer	317,481	249,079	90,520	81,319	558,963	93,536	704,493	-	2,095,391
Total segment and group revenue	712,562	272,038	121,367	93,627	667,758	99,145	1,003,376	-	2,969,873
Segment and group cost of sales	(530,609)	(202,574)	(90,375)	(69,719)	(497,246)	(73,828)	(747,165)	-	(2,211,516)
Other income and forex gains	-	-	-	-	-	-	-	16,630	16,630
Administration and operating expenses	-	-	-	-	-	-	-	(18,986,302)	(18,986,302)
Depreciation and amortisation	-	-	-	-	-	-	-	(1,933,410)	(1,933,410)
Group loss for the period	181,953	69,464	30,992	23,908	170,512	25,317	256,211	(20,903,082)	(20,144,725)
Net cash flows from operating activities	(3,644,002)	143,393	63,973	49,351	351,980	52,260	528,887	-	(2,454,158)
Net cash flows from investing activities	-	-	-	-	-	-	-	56,460	56,460
Net cash flows from financing activities	-	-	-	-	-	-	-	(13,358)	(13,358)
Net cash inflow/(outflow)	(3,644,002)	143,393	63,973	49,351	351,980	52,260	528,887	43,102	(2,411,056)
AS AT 31 MARCH 2018									
Assets	276,179	105,438	47,040	36,288	258,814	38,427	388,895	-	1,151,081
Liabilities	452,806	172,870	77,124	59,496	424,335	63,003	637,608	-	1,887,243

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

32. SEGMENT REPORTING – CONTINUED

	MALAYSIA \$	SINGAPORE \$	INDONESIA \$	AUSTRALIA \$	UAE \$	TAIWAN \$	OTHERS \$	UNALLO- CATED \$	TOTAL \$
YEAR ENDED 31 MARCH 2017									
Revenue									
Corporate	54,703	1,570,390	-	-	-	-	-	-	1,625,093
Consumer	214,004	67,742	30,295	27,611	22,472	9,541	40,578	-	412,243
Total segment and group revenue	268,707	1,638,132	30,295	27,611	22,472	9,541	40,578	-	2,037,336
Segment and group cost of sales	(139,700)	(851,658)	(15,750)	(14,355)	(11,683)	(4,960)	(21,097)	-	(1,059,203)
Other income and forex gains	-	-	-	-	-	-	-	551,985	551,985
Administration and operating expenses	-	-	-	-	-	-	-	(4,781,208)	(4,781,208)
Depreciation and amortisation	-	-	-	-	-	-	-	(1,961,224)	(1,961,224)
Group loss for the period	129,007	786,474	14,545	13,256	10,789	4,581	19,481	(6,190,447)	(5,212,314)
Net cash flows from operating activities	(4,580,739)	1,072,311	19,831	18,074	14,710	6,245	26,562	-	(3,423,006)
Net cash flows from investing activities	-	-	-	-	-	-	-	(34,401)	(34,401)
Net cash flows from financing activities	-	-	-	-	-	-	-	(25,163)	(25,163)
Net cash inflow/(outflow)	(4,580,739)	1,072,311	19,831	18,074	14,710	6,245	26,562	(59,564)	(3,482,570)
AS AT 31 MARCH 2017									
Assets	15,135,148	3,067,450	56,728	51,702	42,079	17,865	75,985	-	18,446,957
Liabilities	94,471	575,930	10,651	9,707	7,901	3,354	14,266	-	716,280

DIRECTOR'S DECLARATION

The Directors of the Group declare that:

1. The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statements of Changes in Equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the financial position as at 31 March 2018 and of the performance for the period ended on that date of the Group.
2. In the Directors' opinion, there are reasonable grounds to believe Flexiroam Limited and its controlled entities will be able to pay its debts as and when they become due and payable.
3. Note 6 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
4. The Directors have been given the declarations as required by Section 295A of the Corporations Act for the period ended 31 March 2018.

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

On behalf of the Board



Jeffrey Ong

Director

Signed on this 27th day in June 2018

INDEPENDENT AUDITOR'S REPORT

To the members of Flexiroam Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Flexiroam Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 31 March 2018 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 4 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

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

Impairment of intellectual property

Key audit matter	How the matter was addressed in our audit
As disclosed in note 17, impairment charges amounting to \$14,357,082 related to the Group's intellectual property have been recognised as at 31 March 2018. Given the quantum of this impairment and the judgement exercised by the Group in determining the recoverable amount of the asset and calculating the impairment charges, we consider this area to be significant for our audit.	Our procedures included, but were not limited to: - Evaluating the cash flow forecasts by considering the reliability of the Group's historical cash flow forecasts, our knowledge of the business and sectors and corroborating our work with external information where possible - Evaluating management's ability to accurately forecast cash flows by assessing the precision of the prior year forecasts against actual outcomes; - Evaluating the Group's assumptions and estimates used to determine the recoverable amount of the asset, including growth rate and discount rate; and - Assessing the adequacy of the Group's disclosure in note 17 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 March 2018, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 22 of the directors' report for the year ended 31 March 2018.

In our opinion, the Remuneration Report of Flexiroam Limited, for the year ended 31 March 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is positioned above the printed name.

Glyn O'Brien

Partner

Perth, 27 June 2018

ASX INFORMATION AS AT 25 JUNE 2018

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

1. SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
MR KENN TAT ONG	48,299,280	24.94
MR THIAN CHOY ONG	48,000,000	24.78
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,308,687	8.94

2. DISTRIBUTION OF SECURITY HOLDERS

FULLY PAID ORDINARY SHARES			
RANGE	HOLDERS	UNITS	%
1 – 1,000	8	619	0.000
1,001 – 5,000	36	126,095	0.065
5,001 – 10,000	76	694,093	0.358
10,001 – 100,000	144	6,051,117	3.124
100,001 – over	63	186,817,577	96.452
	327	193,689,501	100.000

3. UNMARKETABLE PARCELS

Holding less than a marketable parcel of ordinary shares (being 8,333 shares as at 25 June 2018) :

HOLDERS	UNITS
62	244,486

4. RESTRICTED SECURITIES OR SECURITIES SUBJECT TO VOLUNTARY ESCROW

As at 25 June 2018, the Company had no restricted securities on issue.

As at 25 June 2018, the Company had no securities subject to voluntary escrow.

5. UNQUOTED SECURITIES

As at 25 June 2018, the Company had no unquoted securities on issue.

ASX INFORMATION AS AT 25 JUNE 2018

6. TWENTY LARGEST SHAREHOLDERS – ORDINARY SHARES

	NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
1	MR KENN TAT ONG	48,299,280	24.94
2	MR THIAN CHOY ONG	48,000,000	24.78
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,308,687	8.94
4	PRIME ADVISORY GLOBAL LIMITED	9,500,000	4.90
5	GENERAL TECHNOLOGY SDN BHD	6,400,000	3.30
6	CITICORP NOMINEES PTY LIMITED	6,398,592	3.30
7	RHB SECURITIES SINGAPORE PTE LTD <CLIENTS A/C>	6,211,054	3.21
8	TA SECURITIES HOLDINGS BERHAD	5,800,000	2.99
9	KAI FATT WONG	4,500,000	2.32
10	SI PIN LIM	4,500,000	2.32
11	MR WAI PIN NG	3,728,220	1.93
12	MR CHEE CHEEON OW	3,308,595	1.71
13	MISS ONG YING HWA	1,999,350	1.03
14	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	1,690,000	0.87
15	MS PUI MUN CHONG	1,327,175	0.69
16	MR YEAP KUP SANG	1,300,000	0.67
17	YEW HUEI KHOR	1,000,000	0.52
18	MR JASON ANDREW HEMPHILL	939,321	0.49
19	MR ALAN TEH	800,000	0.41
20	REAPFIELD PROPERTIES SDN BHD	800,000	0.41
	TOTAL	173,810,274	89.74

7. VOTING RIGHTS

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

8. ON-MARKET BUYBACK

There is no current on-market buy-back.

9. STOCK EXCHANGE LISTING

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

10. PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND RECOMMENDATIONS

The Board has adopted and approved the Company's Corporate Governance Statement, which can be found on the Company's website at <https://investor.flexiroam.com/about>.