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DREAMSCAPE NETWORKS LIMITED
ABN 98 612 069 842
SPECIAL PURPOSE FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

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DIRECTORS' REPORT

Your directors present their report on the Company for the period from incorporation on 27 April 2016 to 30 June 2016. The Company was incorporated as DSN Acquisition Corp Limited and changed its name to Dreamscape Networks Limited on 2 June 2016.

Directors

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

Peter James (Non-Executive Chairman)	Appointed 16 September 2016
Mark Evans (CEO and Executive Director)	Appointed 27 April 2016
Gavin Gibson (COO and Executive Director)	Appointed 27 April 2016
Evan Cross (Non-Executive Director)	Appointed 27 April 2016
Michael Malone (Non-Executive Director)	Appointed 16 September 2016

Directors have been in office since the incorporation of the Company on 27 April 2016 to the date of this report unless otherwise stated.

Details of directors' qualifications and experience are as follows:

Peter James (Non-Executive Chairman)	Peter has extensive experience as Chair, Non-Executive Director and Chief Executive Officer across a range of publicly listed and private companies particularly in emerging technologies, digital disruption, e-commerce and media. He is an experienced business leader with significant strategic and operational expertise. Peter is a Fellow of the AICD and a Member of the Computer Society of Australia. Peter joined the board of Macquarie Telecom in 2012 and was appointed Chairman in July 2014. Peter is also a non-executive director and Chairman of Nearmap and DronesShield.
Mark Evans (CEO and Executive Director)	Mark comes with extensive corporate experience. Previously the CEO of an international security countermeasures company, Mark was responsible for Asia-Pacific distribution agreements with Korean manufacturers of technology and Internet based security products. Mark moved on to a very successful long-term career in Sales & Marketing for one of Australia's largest billion dollar private companies. Here, Mark was renowned for his precise planning, strategy and execution, as well as the building of highly successful teams with winning cultures. Since being appointed CEO, Mark has proven himself as a true leader of Dreamscape Networks. Soon after his arrival, the company experienced the rapid global growth that has cemented its status as a market leader.
Gavin Gibson (COO and Executive Director)	Gavin comes from a strong technical background, operating as the CTO for a number of IT companies prior to joining Dreamscape Networks. Having been involved with Dreamscape and its subsidiary projects since inception, Gavin has worked closely with all aspects of operations from support, HR, design and development, to project and product management, marketing, PR and management. With his broad knowledge and experience, Gavin combines a clear vision and overview of day-to-day operations with an ability to tackle any arising challenges. Gavin expertly manages the build and implementation of Dreamscape's internal systems to improve speed, efficiency, profitability and overall customer experience.
Evan Cross (Non-Executive Director)	Evan has been a member of Chartered Accountants Australia and New Zealand for over 30 years, and is a Fellow of the Australian Institute of Company Directors. Evan has extensive corporate finance experience in investment banking both in Australia and the US and has held key finance or executive director roles in a number of private and ASX-listed companies in a wide range of industries including technology, healthcare, mining and the food and beverage industries.

DIRECTORS' REPORT

Michael Malone
(Non-Executive Director)

Michael founded iiNet Limited in 1993 and continued as CEO until retiring in 2014. During his tenure, iiNet grew to service one million households and businesses, with revenues of one billion dollars and a market cap of over one billion dollars. He has been recognised with a raft of industry accolades, including 2012 Australian Entrepreneur of the Year, CEO of the Year in the Australian Telecom Awards and National Customer Service CEO of the Year in the CSIA's Australian Service Excellence Awards. He presently sits on the boards of NBN Co and ASX listed SpeedCast Limited and Superloop Limited. Mr Malone is a founder of Diamond Cyber, an IT security firm in Perth. Michael is a Fellow of the Australian Institute of Company Directors, the Australian Institute of Management and the Australian Computer Society and has a Bachelor of Science (Mathematics) and a post graduate Diploma in Education both from the University of Western Australia.

Company Secretary

The name of the Company Secretary at the date of this report is:

Tony Sparks Appointed 27 April 2016
(Group Finance Executive and Company Secretary) CA B.Bus (Actg) Pst Grad Dip (Bus)

Tony is a Chartered Accountant and Senior Executive with over 25 years' experience in strategic, financial, taxation, company secretarial and corporate matters in various organisations and industries. Tony was recently the Chief Financial Officer for a privately owned resources company with a \$3bn project, has previously held the position of Managing Director for an Australian Stock Exchange (ASX) Listed company, and has over 10 years' experience as a Company Secretary and the Chief Financial Officer for various ASX Listed companies. Tony will oversee all aspects of the Group's financial management, financial reporting, corporate and company secretarial matters.

Directors' Meetings

The number of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

Director	No. of meetings eligible to attend	No. of meetings attended
Mark Evans	6	6
Gavin Gibson	6	6
Evan Cross	6	6
Peter James	0	0
Michael Malone	0	0

Review of Operations

The Company recorded a loss for the financial period of \$13,404.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial period.

DIRECTORS' REPORT

Principal Activities

The principal activity of the Company during the financial period related to the preparation of a prospectus for an initial public offering.

Events Subsequent to the End of the Reporting Period

The Company is currently in the process of completing a prospectus for an initial public offering which will include the acquisition of Pandora Enterprise Holdings Ltd and its subsidiaries. This group currently operates businesses involved with domain registration, hosting and web designing services.

Likely Developments and Expected Results of Operations

The Company plans to complete the acquisition of Pandora Enterprise Holdings Ltd and the initial public offering in order to gain admission to the Australian Securities Exchange. Other than this, likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends were paid during the financial period.

No dividends are recommended in respect of the financial period.

Options

The following options over issued shares in the Company were granted since the end of the financial period and remain outstanding at the date of this report.

Indemnification of Officers

Deeds of indemnity, insurance and access were executed subsequent to balance date for all directors and officers, however these will not be activated until the initial public offering noted above is activated. Other than this, no indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of the 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 a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5 and forms part of this directors' report.

This directors' report is signed in accordance with a resolution of the Board of Directors:



Gavin Gibson

Director

Dated 27 October 2016

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Dreamscape Networks Limited for the period ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
27 October 2016

L Di Giallonardo
Partner, HLB Mann Judd

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

	Period to 30 June 2016
	\$
Revenue	-
Other expenses	13,404
Loss before income tax	<u>(13,404)</u>
Income tax expense	-
Loss for the period	<u>(13,404)</u>
Other comprehensive income	-
Total comprehensive loss for the period	<u><u>(13,404)</u></u>

The accompanying notes form part of these financial statements.

DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	30 June 2016 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3	9,600
Other receivables	4	7,748
Other current assets	5	231,052
TOTAL CURRENT ASSETS		<u>248,400</u>
NON-CURRENT ASSETS		
TOTAL NON-CURRENT ASSETS		<u>-</u>
TOTAL ASSETS		<u>248,400</u>
LIABILITIES		
CURRENT LIABILITIES		
Other payables	6	10,000
TOTAL CURRENT LIABILITIES		<u>10,000</u>
NON-CURRENT LIABILITIES		
Borrowings	7	242,204
TOTAL NON-CURRENT LIABILITIES		<u>252,204</u>
TOTAL LIABILITIES		<u>252,204</u>
NET LIABILITIES		<u>(3,804)</u>
EQUITY		
Issued capital	8	9,600
Accumulated losses		(13,404)
TOTAL EQUITY		<u>(3,804)</u>

The accompanying notes form part of these financial statements.

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2016

	Issued capital	Accumulated losses	Total
	\$	\$	\$
Balance at 27 April 2016	-	-	-
Shares issued during the period	9,600	-	9,600
Loss for the period	-	(13,404)	(13,404)
Balance at 30 June 2016	<u>9,600</u>	<u>(13,404)</u>	<u>(3,804)</u>

The accompanying notes form part of these financial statements.

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2016

	Note	Period to 30 June 2016
		\$
CASH FLOWS FROM OPERATING ACTIVITIES		-
Net cash used in operating activities	9	-
CASH FLOWS FROM INVESTING ACTIVITIES		-
Net cash used in investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares		9,600
Net cash provided by financing activities		9,600
Net increase in cash held		9,600
Cash at beginning of financial period		-
Cash at end of financial period	3	9,600

The accompanying notes form part of these financial statements.

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were authorised for issue on 27 October 2016 by the directors of the Company.

Basis of Preparation

The directors have prepared the financial statements on the basis that the Company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Corporations Act 2001*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Corporations Act 2001* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

Accounting Policies

a. Income Tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

a. Income Tax (cont'd)

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

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

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

b. Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

c. Employee Benefits

Short-term employee benefits

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

DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

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

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

d. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

e. Cash and Cash Equivalents

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

f. Revenue and Other Income

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

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

g. Revenue and Other Income

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

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

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

h. Trade and Other Receivables

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

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

i. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

k. Goods and Services Tax (GST)

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

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

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

l. Comparative Figures

There are no comparative figures as the Company was incorporated during the current financial period.

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m. Critical Accounting Estimates and Judgements

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

n. New Accounting Standards for Application in Future Periods

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

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

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

The key changes that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

- *AASB 15: Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

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

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

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FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

The directors anticipate that the adoption of AASB 15 will not have an impact on the Company's financial statements.

- **AASB 16: Leases** (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

o. Going Concern

The Company has a deficiency of net assets of \$13,404 at balance date due to the loan payable to Dreamscape Networks FZ-LLC, which has funded the start-up phase of the Company. The directors are of the opinion that the Company is a going concern on the basis that Dreamscape Networks FZ-LLC has confirmed that it will not call upon this loan for repayment until such time that the Company has sufficient funds to repay this loan.

In addition, the Company is currently in the process of completing an IPO prospectus that it is planning to issue soon.

**Period to 30
June 2016**
\$

NOTE 2: LOSS FOR THE PERIOD

Expenses

Remuneration of auditor:

–	auditing or reviewing the financial report	10,000
–	taxation services	-
		10,000

30 June 2016
\$

NOTE 3: CASH AND CASH EQUIVALENTS

Cash on hand	9,600
	9,600

NOTE 4: OTHER RECEIVABLES

GST receivable	7,748
	7,748

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FINANCIAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

30 June 2016
\$

NOTE 5: OTHER CURRENT ASSETS

Prepaid IPO costs	<u>231,052</u>
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NOTE 6: TRADE AND OTHER PAYABLES

Trade payables	-
Sundry payables and accrued expenses	<u>10,000</u>
	<u>10,000</u>

NOTE 7: BORROWINGS

Loan from Dreamscape Networks FZ-LLC	<u>242,204</u>
	<u>242,204</u>

The loan from Dreamscape Networks FZ-LLC is unsecured, interest free and repayable at call, however the company has confirmed that it will not call upon this loan for repayment until such time that the Company has sufficient funds to repay this loan.

NOTE 8: ISSUED CAPITAL

Ordinary shares issued and fully paid	<u>9,600</u>
---------------------------------------	--------------

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

At 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.

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 8: ISSUED CAPITAL (CONT'D)

Movement in ordinary shares on issue

	Period to 30 June 2016	
	No.	\$
<i>Movements in in ordinary shares</i>		-
Balance at incorporation (27 April 2016)	-	-
Issue of shares	9,600,000	9,600
Balance at end of period	9,600,000	9,600

**Period to 30
June 2016**
\$

NOTE 9: CASH FLOW INFORMATION

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

Loss for the period	(13,404)
Expense items funded with loan funds	13,404
	-

NOTE 10: EVENTS SUBSEQUENT TO REPORTING DATE

The Company is currently in the process of completing a prospectus for an initial public offering which will include the acquisition of Pandora Enterprise Holdings Ltd and its subsidiaries. This group currently operates businesses involved with domain registration, hosting and web designing services.

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DREAMSCAPE NETWORKS LIMITED
FINANCIAL REPORT
FOR THE PERIOD ENDED 30 JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2016

NOTE 11: COMPANY DETAILS

The registered office of the Company is:

Level 2, 8 Howlett Street
North Perth WA 6006

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Dreamscape Networks Limited, the directors have determined that the Company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards; and
 - b. give a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the period ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Gavin David Gibson
Director

Dated 27 October 2016

INDEPENDENT AUDITOR'S REPORT

To the members of Dreamscape Networks Limited

Report on the Financial Report

We have audited the accompanying financial report of Dreamscape Networks Limited ("the Company"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Company.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

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

Independence

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

Auditor's opinion

In our opinion, the financial report of Dreamscape Networks Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2016 and its performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

**Perth, Western Australia
27 October 2016**

L Di Giallonardo

**L Di Giallonardo
Partner**