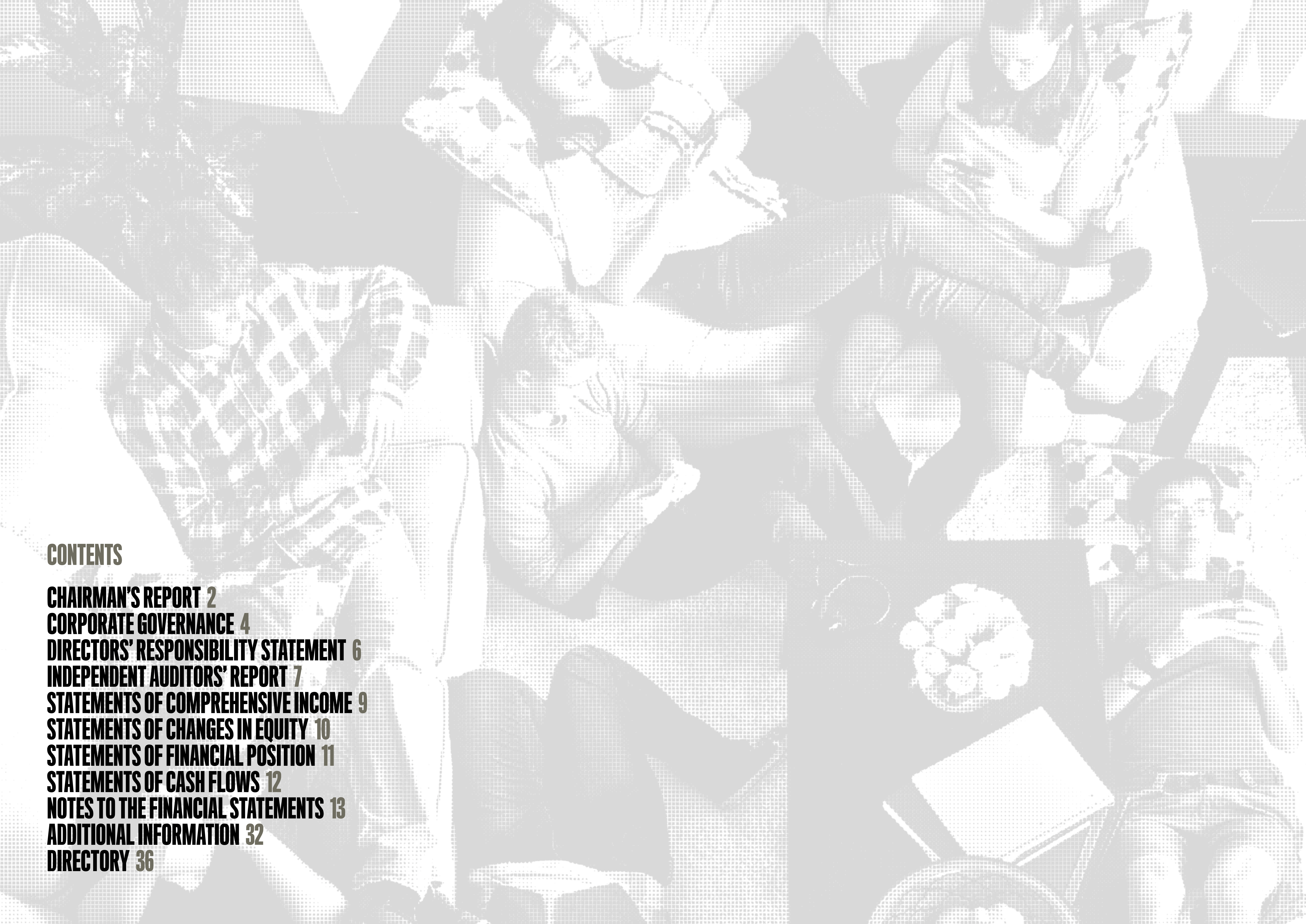
SNAKK!MEDIA

ANNUAL REPORT 2012



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CHAIRMAN'S REPORT

Dear Shareholder,

Welcome to the first Annual Report for Snakk Media Limited and thank you for your continued support. The period covered in this report is the financial year ended 31 March 2012 which is the first year that we had the consolidated shareholder base from several sources, now numbering more than 2000.

Accompanying this Report you will also find an Annual Review that is a comprehensive story of the market, development strategies and business activities of Snakk Media. I have developed and enclosed this as many of you are shareholders who came to Snakk without a full knowledge of its activities and plans – much of what the Directors wish to communicate with you is contained in that document, so this Chairman's report will be very brief and I encourage you to spend time with the Annual Review.

RESULTS FOR THE FINANCIAL YEAR TO 31 MARCH 2012

Revenue for the year ended 31 March 2012 was $1,992,958, a 256% healthy increase on the previous year ($559,105). The loss before tax for the period was $615,403 requiring a net cash outflow of $94,650 to fund the growth path. Snakk is a young high-growth oriented company operating in a market that is expected to rapidly expand in size. The financial performance was almost exactly in line with Directors expectations excepting for the one off *non-cash* expenses associated with the issue of staff and directors Options. From a financial perspective at this stage in the Company's evolution our primary concerns are cash flow, and revenue growth. Below are some of the key highlights of the period, and some subsequent to balance date:

· The business is performing to expectations and growing steadily and we continue to invest in the capacity for growth, and expect to increase this investment over 2012 and 2013.

· We have expanded the Australian team by hiring a sales presence in Melbourne recently to cover more territory and have commenced the start of long-term investment in public relations and media relations to build our brand. This also includes a re-launch and continued updates to the website for our clients and market-facing information.

· We have also launched a blog which can be accessed from the main website for updates, analysis and news on mobile media and we encourage all shareholders to follow this as well as the our updates on www.twitter.com/snakkir.

· Several new partnerships formed creating competitive advantage in the local market.

OUTLOOK

As you will see in the Annual Review – we are developing plans on three key fronts:

1. Market expansion both in Australia and regionally – This will require increased resources and we intend to embark on a further capital raise during the course of 2012. Also, we are working towards a listing of the Company's shares on a recognised exchange before the year ends.

2. Partnership expansion – This sector of our business requires more technology and publisher partnerships in place and we are investing consistently in this area.

3. Social impact expansion and innovation – At Snakk we believe that business is the most powerful force on the planet and can be a positive instrument for change in society. As such, this area of our strategy is something we feel very strongly about and are actively driving innovation in how advertising and technology can play a more impactful role in the community. In addition, as a company we are continuing to develop our policies towards being an amazing place to work and company to be a part of; in this light we are also one of the first companies in New Zealand that is currently undergoing a B-Corp assessment. B-Corp Certification is an international process that certifies "B Corporations", the same way TransFair certifies Fair Trade coffee or USGBC certifies LEED buildings. B-Corp certification is setting the benchmark globally for *better* businesses that are more impactful on society and the environment while pursuing financial profit. We hope to become New Zealand's first B-Corp Certified company and the first publicly listed B-Corp in the world.

MAJOR EVENTS DURING THE COURSE OF THE FINANCIAL YEAR

Acquisition of New Business

In July 2011, the Company acquired from Agent M Holdings Limited ("AMH") all of the shares on issue in Agent M Group Limited ("Agent M Shares"). Agent M Group is the holding company for the Agent M and Snakk business operations. The purchase price for the Agent M Shares was $5,000,000 which was satisfied by the issue to AMH of 100,000,000 ordinary fully paid shares (at an issue price of 5 cents per share) in the Company.

Issue of New Capital

From the date of the acquisition of AMH through to the date of this Annual Report, the Company raised a total of $1,304,000 at an average issue price of 1.45 cents per share.

Appointment of New Board

Following the completion of the acquisition of the Agent M Shares, the existing sole director of the Company resigned and was replaced by three new directors – Derek Handley, Phil Norman and Sean Joyce.

Issue of Executive and Directors Options

The Company issued 1,500,000 new options to each of the directors of the Company, and a further 7,200,000 to the general manager of the Company. The exercise price for those options is 5 cents per share and in general terms, the options have a term of five years.

I look forward to speaking with you at our Annual Meeting of Shareholders in September 2012.

Kind regards,

Derek Handley
Chairman

CORPORATE GOVERNANCE

The objective of the Group is to enhance shareholder value. The Board considers there is a strong link between good corporate governance policies and practices and the achievement of this objective. The Board has adopted a corporate governance policy, which is available at the Company's offices.

The directors are responsible for reviewing and maintaining the corporate governance principles of the Group and consider that they do not materially differ from the principles set out in the NZX Corporate Governance Best Practice Code, which the Board has implemented notwithstanding that the Company is not yet listed.

BOARD OF DIRECTORS

The business and affairs of the Group are managed directly by the Board of Directors or by the executive of the operating subsidiaries under the direction of the Board. In particular the Board:

· establishes the long term goals of the Group and strategic plans to achieve those goals;

· reviews and adopts the annual budgets for the financial performance of the Group and monitors results on a monthly basis;

· ensures preparation of the annual and half-yearly financial statements;

· manages risk by ensuring that the Group has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and

· works with management to create shareholder value.

The Board consists of two non-executive directors and one executive director. Mr Norman is an independent director. Mr Handley provides services to the Company, in addition to his role as director, via a contracting arrangement between the Company and interests associated with Mr Handley.

The Board meets at least monthly on a formally scheduled basis. All available information relating to items to be discussed at a meeting of the Board is provided to each non-conflicted director prior to that meeting.

One third, or the whole number nearest one third, of the directors retire by rotation at each Annual Meeting. The directors to retire are those who have been longest in office since the last election. Directors retiring by rotation may, if eligible, stand for re-election. A director appointed since the previous Annual Meeting holds office only until the next Annual Meeting but is eligible for re-election at that meeting. Under the rotation policy Derek Handley offers himself for re-election at the next Annual Meeting.

Each director has the right to seek independent legal and other professional advice, at the Group's expense with the prior approval of the chairman, concerning any aspect of the Group's operations or undertakings to assist in fulfilling their duties and responsibilities as directors.

The Board has two standing committees, namely audit and remuneration. Other committees are formed for specific purposes and disbanded as required.

Audit committee

The current members of the committee are:

· Sean Joyce

· Phil Norman

The audit committee provides a forum for the effective communication between the Board and external auditors. The committee reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of internal control and management information systems and the efficiency and effectiveness of the audit functions.

The committee generally invites the Group's accountant and the auditors to attend audit committee meetings. The committee also meets with and receives regular reports from the auditors concerning any matters that arise in connection with the performance of their respective roles, including the adequacy of internal controls.

Remuneration Committee

The Board as a whole undertakes the role of remuneration committee given the small size of the Board.

The Board reviews the remuneration packages of all directors and the senior management team. The Non-Executive Directors approve the remuneration of Mr Handley, who is also an executive director and a member of the remuneration committee.

The packages of the employees and contractors of the Company and its subsidiaries, which consist of base salary and incentive schemes (including performance-related bonuses) are reviewed with due regard to performance and other relevant factors.

Nomination Committee

The Board as a whole undertakes the role of nomination committee given the small size of the Board. The Board reviews the composition of the Board annually to ensure that the Board comprises a majority of non-executive directors, with an appropriate mix of skills and experience.

The terms and conditions of the appointment of directors are set out in a formal letter of appointment that deals with the following matters:

· duration of appointment; role of the Board; timing and location of Board meetings, and expected time commitment; remuneration including timing of reviews; committee involvement; Board and individual evaluation processes;

· outside interests including other directorships; dealing in company shares;

· induction and development processes; access to independent professional advice; availability of liability insurance; and confidentiality of Group information.

Code of Ethics

As part of the Board's commitment to the highest standards of behaviour and accountability, the Group adopts a code of ethics to guide executives, management and employees in carrying out their duties and responsibilities. The code covers such matters as:

· responsibilities to shareholders;

· relations with customers and suppliers;

· product / services quality;

· protection of Group assets;

· employment practices; and

· responsibilities to the community.

An interests' register is maintained for the Group in which the particulars of certain transactions and matters involving the directors must be recorded. The interests' register is available for inspection at its registered office. When a director has declared an interest in a particular entity, as a shareholder or director, the declaration serves as notice that the director may benefit from any transaction between the Company and the identified entity.

The Board has adopted a specific policy for directors, senior staff and other insiders for trading in the Company's securities. Compliance with this policy is actively managed and a director must declare to the Board any interest in a transaction with the Company, any relationship that might compromise his or her ability to act independently from management and any conflicts of interest that are potentially detrimental to the Group. While a director has inside information on the Group he or she must not trade in, or advise others to trade in, the securities of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company and the Group as at 31 March 2012 and their financial performance and cash flows for the year ended on that date.

The directors consider that the financial statements of the Company and the Group have been prepared using appropriate accounting principles, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 1993.

The directors consider they have taken adequate steps to safeguard the assets of the Company and the Group to prevent and detect fraud and other irregularities.

The directors have pleasure in presenting the financial statements, set out on pages 9 to 31 of Snakk Media Limited for the year ended 31 March 2012.

The Board of Directors of Snakk Media Limited authorised these financial statements for issue on 7 August 2012.

For and on behalf of the Board

Derek Handley
Chairman

Sean Joyce
Director

INDEPENDENT AUDITORS' REPORT

to the shareholders of Snakk Media Limited (previously Rec No.1 Limited)

Report on the Financial Statements

We have audited the financial statements of Snakk Media Limited ("the Company") on pages 9 to 31, which comprise the statements of financial position as at 31 March 2012, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for both the Company and the Group. The Group comprises the Company and the entities it controlled at 31 March 2012 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company and the Group's preparation of financial statements that give a true and fair view of the matters to which they relate, 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 and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

Other than in our capacity as auditors we have no relationship with, or interests in, Snakk Media Limited or any of its subsidiaries.

Opinion

In our opinion, the financial statements on pages 9 to 31:
(i) comply with generally accepted accounting practice in New Zealand;
(ii) comply with International Financial Reporting Standards; and
(iii) give a true and fair view of the financial position of the Company and the Group as at 31 March 2012, and their financial performance and cash flows for the year then ended.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 22 of the financial statements which describes the Group's liquidity position, the implications of anticipated growth on operating cash flows, and the funding requirements of the Group and its ability to continue as a going concern.

The going concern assumption is dependent on the ability of the Company and the Group to maintain sufficient cash reserves, and to raise additional capital as and when required, to enable the Group to continue to meet its debts as and when they fall due. These conditions represent a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the year ended 31 March 2012:

(i) we have obtained all the information and explanations that we have required; and
(ii) in our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers
Chartered Accountants
8 August 2012

Auckland

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

SNAKK MEDIA LIMITED (previously Rec No.1 Limited)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2012

	Group		Company		
	2012	2011	2012	2011*	Notes
	$	$	$	$	
Operating revenue	1,992,958	559,105	-	-	
Direct media costs	(886,473)	(185,234)	-	-	
	1,106,485	373,871	-	-	
Other Income					
Management fee income	-	-	178,429	-	
Interest income	16,934	147	20,939	-	
Foreign exchange gain	-	28,175	-	-	
	16,934	28,322	199,368	-	
Expenses					
Depreciation	(7,244)	(430)	-	-	3
Employee benefits	(774,897)	(204,959)	-	-	3
Other expenses	(955,961)	(224,173)	(442,652)	-	3
Interest expense	(720)	(155)	(719)	-	
Total expenses	(1,738,822)	(429,717)	(443,371)	-	
Loss before taxation	(615,403)	(27,524)	(244,003)	-	
Income tax expense	(9,346)	(11,750)	-	-	4
Loss after taxation	(624,749)	(39,274)	(244,003)	-	
Other comprehensive income					
Change in foreign currency translation reserve	14,448	3,754	-	-	7
Tax	-	-	-	-	
Other comprehensive income after tax	14,448	3,754	-	-	
Total comprehensive income for the period	(610,301)	(35,520)	(244,003)	-	
Earnings per share					
Basic loss per share (cents)	(0.39)	(0.05)	-	-	17
Diluted loss per share (cents)	(0.38)	(0.05)	-	-	17

The accompanying notes on pages 13 to 31 form part of these financial statements
* The Company was only operational for four months of the 2011 financial year

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2012

	Share capital	Share options Reserve	Foreign currency translation reserve	Accumulated loss	Total equity	
	$	$	$	$	$	Notes
Group						
Balance 1 April 2010	1,152,117	-	(53,603)	(1,424,123)	(325,609)	5,6,7
Comprehensive income/(loss)						
Loss for the year	-	-	-	(39,274)	(39,274)	
Change in foreign currency translation reserve	-	-	3,754	-	3,754	
Total comprehensive loss for the year	-	-	3,754	(39,274)	(35,520)	
Transactions with owners recognised directly in equity						
Shares issued to owners	390,422	-	-	-	390,422	
Total transactions with owners	390,422	-	-	-	390,422	5
Equity at 31 March 2011	1,542,539	-	(49,849)	(1,463,397)	29,293	5,6,7
Comprehensive loss for the year						
Loss for the year	-	-	-	(624,749)	(624,749)	
Change in foreign currency translation reserve	-	-	(14,448)	-	(14,448)	
Total comprehensive loss for the period	-	-	(14,448)	(624,749)	(610,301)	
Transactions with owners recognised directly in equity						
Shares issued to owners	1,267,918	-	-	-	1,267,918	
Share based payments	-	212,720	-	-	212,720	
Total transactions with owners	1,267,918	212,720	-	-	1,480,638	5
Equity at 31 March 2012	2,810,457	212,720	(35,401)	(2,088,146)	899,630	5,6,7
Company						
Balance 24 November 2010	-	-	-	-	-	5
Transactions with owners recognised directly in equity						
Shares issued to owners	100	-	-	-	100	
Total transactions with owners	100	-	-	-	100	5
Equity at 31 March 2011	100	-	-	-	100	5,6,7
Comprehensive income for the period						
Loss for the period	-	-	-	(244,003)	(244,003)	
Total comprehensive loss for the period	-	-	-	(244,003)	(244,003)	
Transactions with owners recognised directly in equity						
Shares issued to owners	6,264,100	-	-	-	6,264,100	
Share based payments	-	212,720	-	-	212,720	
Total transactions with owners	6,264,100	212,720	-	-	6,476,820	5
Equity at 31 March 2012	6,264,200	212,720	-	(244,003)	6,232,917	5,6,7

The accompanying notes on pages 13 to 31 form part of these financial statements

*The Company was only operational for four months of the 2011 financial year

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Group		Company		
	2012	2011	2012	2011	Notes
	$	$	$	$	
Equity					
Share capital	2,810,457	1,542,539	6,264,200	100	5
Share option reserve	212,720	-	212,720	-	5
Accumulated losses	(2,088,146)	(1,463,397)	(244,003)	-	6
Foreign currency translation reserve	(35,401)	(49,849)	-	-	7
Total equity	899,630	29,293	6,232,917	100	
Current liabilities					
Trade and other payables	893,950	266,101	157,456	-	8
Taxation payable	20,549	11,750	-	-	4
Total current liabilities	914,499	277,851	157,456	-	
Total liabilities	914,499	277,851	157,456	-	
Total equity and liabilities	1,814,129	307,144	6,390,373	100	
Assets					
Non-current assets					
Property, plant and equipment	11,247	862	-	-	11
Investments	-	-	5,000,000	-	13
Advances to subsidiaries	-	-	352,329	-	14
Total non-current assets	11,247	862	5,352,329	-	
Current assets					
Cash and cash equivalents	1,242,575	70,102	1,032,986	100	9
Trade and other receivables	555,249	236,180	-	-	10
Taxation receivable	5,058	-	5,058	-	4
Total current assets	1,802,882	306,282	1,038,044	100	
Total assets	1,814,129	307,144	6,390,373	100	

For and on behalf of the Board

S.R. Joyce
Director

D. Handley
Director

7 August 2012

The accompanying notes on pages 13 to 31 form part of these financial statements

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2012

	Group		Company		
	2012	2011	2012	2011*	Notes
	$	$	$	$	
Operating activities					
Cash was provided from:					
Receipts from customers	1,654,343	369,782	4,336	-	
Cash was applied to:					
Payments to suppliers & employees	(1,748,993)	(827,674)	(78,253)	-	
Net cash applied to operating activities	(94,650)	(457,892)	(73,917)	-	12
Investing activities					
Cash was provided from:					
Interest received	16,934	147	20,939	-	
Cash was applied to:					
Purchase of property, plant and equipment	(17,629)	(1,292)	-	-	
Advances to subsidiaries	-	-	(178,236)	-	
Net cash applied to investing activities	(695)	(1,145)	(157,297)	-	
Financing activities					
Cash was provided from:					
Proceeds from share issue	1,267,818	390,422	1,264,100	100	
Net cash provided from financing activities	1,267,818	390,422	1,264,100	100	
Net increase/(decrease) in cash and cash equivalents held	1,172,473	(68,615)	1,032,886	100	
Cash & cash equivalents at beginning of period	70,102	138,717	100	-	
Cash & cash equivalents at end of period	1,242,575	70,102	1,032,986	100	
Composition of cash and cash equivalents:					
Bank balances	1,242,575	70,102	1,032,986	100	9

The accompanying notes on pages 13 to 31 form part of these financial statements
* The Company was only operational for four months of the 2011 financial year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

SNAKK MEDIA LIMITED (previously Rec No.1 Limited)

1. STATEMENT OF ACCOUNTING POLICIES

Introduction

Snakk Media Limited is a company incorporated in New Zealand, registered under the Companies Act 1993. On 18 July 2011 the Company changed its name from Rec No.1 Limited to Snakk Media Limited.

Financial statements for Snakk Media Limited (the "Company") and consolidated financial statements are presented. The consolidated financial statements comprise the Company and its subsidiaries (together the "Group"). The Company was incorporated on 24 November 2010 and the comparative financial period presented is for the period from 24 November 2010 to 31 March 2011. The comparative financial period for the Group is for the year ended 31 March 2011.

The financial statements have been prepared in accordance with the Financial Reporting Act 1993.

These consolidated financial statements have been approved for issue by the Board of Directors on 7 August 2012.

The principal activity of the Company is the provision of end to end mobile media solutions.

The following principal accounting policies have been applied in the preparation of the financial statements.

Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements include separate financial statements for Snakk Media Limited as an individual entity and the Group consisting of Snakk Media Limited and its subsidiaries.

1.1 Basis of preparation

This general purpose financial report has been prepared in accordance with Generally Accepted Accounting Practice in New Zealand. The financial statements comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS's) and any other applicable Financial Reporting Standards as appropriate to profit oriented entities.

Compliance with IFRS

The financial statements comply with International Financial Reporting Standards (IFRS)

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates judgements and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income & expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The preparation of financial statements in conformity with NZ IFRS also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

1.2 Changes in accounting policies

There have been no significant changes in accounting policies during the current period. Accounting policies have been applied on a basis consistent with the prior annual financial statements. During the period the following amended NZ IFRS became effective which was adopted by the Group. The adoption of the amended standard has no significant impact on the Company's and the Group's financial statements. NZ IAS 24 "Related Party Disclosures" amends the definition of a related party.

New standards and interpretations not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting period beginning on 1 April 2012 or later periods but which the Group has not early adopted:

NZ IFRS 9 "Financial instruments: classification and measurement" (mandatory for annual periods beginning on or after 1 January 2015). There are a number of changes under this standard in relation to the measurement and classification of financial instruments. This new standard is not expected to have a significant impact on the Company or Group.

Snakk Media Limited (previously Rec No.1 Limited)

NZ IFRS 10 "Consolidated Financial Statements" (mandatory for annual periods beginning on or after 1 January 2013). NZ IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard is not expected to have a significant impact on the Company or Group.

NZ IFRS 13 "Fair Value Measurement" (mandatory for annual periods beginning on or after 1 January 2013). NZ IFRS 13 defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value (with limited exceptions). This new standard is not expected to have a significant impact on the Company or Group.

Harmonisation Amendments FRS 44 New Zealand Specific Disclosure. The Harmonisation Amendments set out amendments to NZ IFRSs as a result of proposals that were contained in Exposure Draft 121. It should be read in conjunction with "FRS-44" New Zealand Additional Disclosures which sets out the New Zealand "All Entity" disclosure requirements that are in addition to requirements in IFRSs which have been relocated to the separate disclosure standard. The effective date of the amendments is reporting periods beginning on or after 1 July 2011. This new standard is not expected to have a significant impact on the Company or Group.

Revised NZ IAS 27. This revised standard is effective from 1 January 2013, renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. Application of this standard by the Group and Company will not affect any of the amounts recognised in the financial statements, but may impact the type of information disclosed in relation to the Company's investments in the Company's financial statements.

1.3 Basis of consolidation

Subsidiaries

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the polices adopted by the Group.

The Company's investments in subsidiaries are shown at cost less impairment losses.

Business Combinations

The acquisition method of accounting is used to account for all business acquisitions regardless of whether equity instruments or other assets are acquired. Consideration is measured as the fair value of the asset given, shares issued or liabilities incurred or assumed at the date of exchange and includes any assets or liabilities arising from contingent consideration. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity. Other acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss, but only after a reassessment of the identification and measurement of the net assets acquired.

Reverse Acquisition

The consolidated financial statements have been prepared using reverse acquisition accounting. The consolidated financial statements prepared are issued in the name of the legal parent, Snakk Media Limited, but represent a continuation of the financial statements of the legal subsidiary Agent M Group Limited (the accounting acquirer) following the reverse acquisition of Snakk Media Limited (the accounting acquiree) on 16 July 2011.

In reverse acquisition accounting, the cost of the business combination is deemed to have been incurred by the legal subsidiary, Agent M Group Limited, the acquirer for accounting purposes, in the form of equity instruments issued to the owners of the legal parent, Snakk Media Limited (the acquiree for accounting purposes). Details of the acquisition are set out in note 24.

1.4 Revenue

Goods and Services Sold

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, excluding Goods and Services Tax, after eliminating sales within the Group. Revenue is recognised as follows:

i. Advertising fees

Advertising fees are recognised on a basis that reflects the stage of completion of the advertising services performed. Where amounts are received from clients in advance of services being performed the amounts are recognised as deferred income in the Statements of Financial Position.

ii. Interest

Interest is recognised as it is accrues using the effective interest rate method.

1.5 Cash and Cash Equivalents

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

1.6 Intangibles

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill of the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

1.7 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

Depreciation is calculated using the straight line method to allocate the cost, net of their residual values, over the estimated useful lives, which are currently and for the prior year, as follows:

Category	Estimated useful life (years)
Office equipment	2

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

1.8 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.9 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 is the Board of Directors.

1.10 Foreign currency translation

Functional and presentation currency

Items included in the financial statements use the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in New Zealand dollars which is Snakk Media Limited's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of Company entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Income.

Group Companies

The results and financial position of all of the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

· assets and liabilities for each Statement of Financial Position presented are translated at the closing rate of the date of that Statement of Financial Position;
· income and expenses for each profit or loss are translated at the average exchange rate for the month;
· All resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.11 Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the Statement of Comprehensive Income.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). A cash generating unit identified cannot be larger than an operating segment identified per NZ IFRS 8. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12 Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate that is enacted or substantively enacted for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax liabilities are recognised for temporary differences at the tax rates expected to apply when the liabilities are settled based on those tax rates that are enacted or substantively enacted for each jurisdiction at the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax liability is recognised in relation to these temporary differences if they arose in a transaction that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and for unused tax losses, at the tax rate expected to apply when the assets are utilised based on the tax rates enacted or substantively enacted for each jurisdiction at the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilised. The deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount of tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income are also recognised directly in other comprehensive income.

1.13 Financial instruments

Financial assets and financial liabilities are recognised on the Company's and the Group's Statements of Financial Position when the Company and the Group becomes a party to the contractual provisions of the instrument.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Financial assets and financial liabilities are only offset if there is a currently legally enforceable right of offset and the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest method, less impairment losses. Receivables of a short term nature are not discounted.

The collection of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment losses is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid at the reporting date. The amounts are unsecured and are usually paid within 30 days of recognition. These are measured at amortised cost. Payables of a short term nature are not discounted.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts.

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1.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

1.15 Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis. The Group has no obligations in relation to long service or post employment benefits.

1.16 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statements of Comprehensive Income on a straight-line basis over the lease.

1.17 Earnings per share

Basic earnings or loss per share

Basic earnings or loss per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period, adjusted by the exchange ratio arising from the reverse acquisition.

Diluted earnings or loss per share

Diluted earnings or loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding during the financial period, adjusted by the exchange ratio arising from the reverse acquisition, to assume conversion of all dilutive potential ordinary shares.

1.18 Contributed equity

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.

1.19 Goods and services tax (GST)

The Statements of Comprehensive Income and Statements of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Statements of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

1.20 Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in the Statements of Comprehensive Income using the effective interest method except if they relate to qualifying assets in which case they are capitalised to that asset.

1.21 Share-based payment

For equity settled share based payment transactions, the grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options.

1.22 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the current market rate of interest at the reporting date. Receivables of a short term nature are not discounted.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the current market rate of interest at the reporting date. Payables of a short term nature are not discounted.

1.23 Management fee income

Management fee income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

i. Carrying value of the investment in subsidiary and advances to subsidiaries

In determining the recoverable values of the Company's investment in its subsidiary and the advances to subsidiaries, the Directors have considered the recent issue price of shares and the future strategic direction of the Group. In the event the strategic direction of the Group is adversely affected the carrying value of the investment in subsidiary of $5 million and advances to subsidiaries of $352,329 may be irrecoverable.

ii. Share based payments

In determining the fair value of options issued to Key Management and Directors certain assumptions have been adopted which have a material impact on the share based payment expense recognised over the vesting period. Significant assumptions are set out in note 23.

iii. Deferred tax asset

The Directors are of the view there is not a reasonable probability that the tax losses available to the Company and Group will be able to be utilised in the foreseeable future. The deferred tax benefit of those tax losses has therefore not been recognised in the Statement of Financial Position. See note 4.

3. EXPENSES

	Group		Company	
	2012	2011	2012	2011*
	$	$	$	$
Loss before income tax includes the following specific expenses:				
Auditors' fees for audit of financial statements	50,908	22,643	42,500	-
Depreciation expense - office equipment	7,244	430	-	-
Directors' fees	110,002	-	110,002	-
Foreign exchange loss	19,546	-	-	-
Operating lease expense	41,967	15,420	870	-
Acquisition costs expensed (see note 24)	3,895	-	-	-
Share based payment	212,720	-	212,720	-
Employee benefits				
Salaries and wages	715,525	188,247	-	-
Superannuation contributions	59,372	16,712	-	-
	774,897	204,959	-	-

4. INCOME TAX

	Group		Company	
	2012	2011	2012	2011*
	$	$	$	$
Income tax expense				
Current tax	(9,346)	(11,750)	-	-
Deferred tax	-	-	-	-
Income tax expense	(9,346)	(11,750)	-	-
Reconciliation of income tax expense to prima facie tax payable				
Loss before tax:	(615,403)	(27,524)	(244,003)	-
Taxation (expense)/benefit at the rate of:				
Australia - 30% (2011: 30%) of loss	91,442	4,812	-	-
NZ - 28% (2011: 30%) of loss	86,967	3,445	68,321	-
Non-deductible expenses	(61,600)	-	(59,846)	-
Taxation effect of temporary differences	(45,981)	(16,562)	-	-
Future benefit of tax losses not recognised	(80,174)	(3,445)	(8,475)	-
Income tax expense	(9,346)	(11,750)	-	-
Tax payable - Australia	20,549	11,750	-	-
Tax refund - New Zealand	(5,058)	-	(5,058)	-

The Company has an unrecognised deferred tax asset in respect of tax losses of $30,268 - tax effect of $8,475 (2011: $ nil) which are available to be carried forward to reduce future income tax liabilities in New Zealand.

The Company's Australian subsidiary has an unrecognised deferred tax asset in respect of tax losses of $182,690 - tax effect of $54,807 (2011: $ nil) which are available to be carried forward to reduce future income tax liabilities in Australia.

The Company's New Zealand subsidiary has an unrecognised deferred tax asset in respect of tax losses of $24,000 - tax effect of $6,720

(2011: $ nil) which are available to be carried forward to reduce future income tax liabilities in New Zealand.

Utilisation of the tax losses is subject to compliance with income tax legislation and the availability of future taxable income.

The Directors are of the view there is not a reasonable probability that the tax losses will be utilised in the foreseeable future. The deferred tax benefit of those losses has therefore not been recognised in the Statements of Financial Position.

* The Company was only operational for four months of the 2011 financial year

5. SHARE CAPITAL AND OTHER EQUITY INSTRUMENTS

Issued and paid up capital

All shares issued are ordinary shares and rank equally with one vote attached to each fully paid share. Issued shares are detailed below.

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Balance at beginning of period	1,542,539	1,152,117	100	-
Issue of shares	1,267,918	390,422	6,264,100	100
Balance at end of period	2,810,457	1,542,539	6,264,200	100

Movement in Ordinary Shares			
Legal Parent	Number of shares	Issue Price (Cents)	$
Issued on incorporation on 24 November 2010	5,134,665	-	100
Balance 31 March 2011	5,134,665		100
Movements during the period			
50,000,000 shares issued at $0.009 each on 25/7/2011	50,000,000	0.9	450,000
25,000,000 shares issued at $0.005 each on 25/7/2011	25,000,000	0.5	125,000
100,000,000 shares issued at $0.05 each on 16/7/2011	100,000,000	5	5,000,000
10,870,000 shares issued at $0.05 each on 22/11/2011	10,870,000	5	543,500
2,910,000 shares issued at $0.05 each on 28/2/2012 - 31/3/2012	2,910,000	5	145,500
Balance 31 March 2012	193,914,665		6,264,100

Share option reserve

The share option reserve is used to record the accumulated value of unexercised share options and unvested shares rights which have been recognised in the Statement of Comprehensive Income. As at balance date executives and directors have options over 11,700,000 shares (2011: nil). See note 23.

	Group		Company	
	2012	2011	2012	2011*
	$	$	$	$
Balance at beginning of period	-	-	-	-
Share based payment	212,720		212,720	
Balance at end of period	212,720	-	212,720	-

6. ACCUMULATED LOSSES

	Group		Company	
	2012	2011	2012	2011*
	$	$	$	$
Balance at beginning of period	(1,463,397)	(1,424,123)	-	-
Loss for period	(624,749)	(39,274)	(244,003)	-
Balance at end of period	(2,088,146)	(1,463,397)	(244,003)	-

* The Company was only operational for four months of the 2011 financial year

7. FOREIGN CURRENCY TRANSLATION RESERVE

	Group		Company	
	2012	2011	2012	2011*
	$	$	$	$
Balance at beginning of period	(49,849)	(53,603)	-	-
Gain from translation of foreign operations for the period	14,448	3,754	-	-
Balance at end of period	(35,401)	(49,849)	-	-

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve.

8. CURRENT LIABILITIES

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Trade payables	283,612	180,705	118,302	-
Sundry payables and accruals	484,874	67,696	39,154	-
Deferred income	125,464	17,700	-	-
	893,950	266,101	157,456	100

Trade payables are payable within 60 days and are interest free.

9. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Cash at bank - on call, interest rate nil	265,985	70,102	73,784	100
Cash at bank - on call, interest rate 1%	966,590	-	949,202	-
Cash at bank - term deposit	10,000	-	10,000	-
	1,242,575	70,102	1,032,986	100

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Trade receivables	527,686	149,390	-	-
Other receivables	27,563	86,790	-	-
	555,249	236,180	-	-

* The Company was only operational for four months of the 2011 financial year

11. PROPERTY, PLANT AND EQUIPMENT

	Group
Office equipment	$
At 1 April 2010	
Cost	-
Accumulated depreciation	-
Carrying value	-
Year ended 31 March 2011	
Opening carrying value	-
Additions	1,292
Depreciation charge	(430)
Closing carrying value	862
At 31 March 2011	
Cost	1,292
Accumulated depreciation	(430)
Carrying value	862
Year ended 31 March 2012	
Opening carrying value	862
Additions	17,629
Depreciation charge	(7,244)
Closing carrying value	11,247
At 31 March 2012	
Cost	18,921
Accumulated depreciation	(7,674)
Carrying value	11,247

The Company does not hold any property, plant & equipment (2011: $ nil).

12. RECONCILIATION OF OPERATING CASH FLOWS

	Group		Company	
	2012	2011	2012	2011*
	$	$	$	$
Loss after tax	(624,749)	(39,274)	(244,003)	-
Items classified as investing/financing				
Interest received	(16,934)	(147)	(20,939)	-
Add non-cash items and investment activities:				
Depreciation	7,244	430	-	-
Share based payment expense	212,720	-	212,720	-
Management fee income	-	-	(174,093)	
Add/(Less) movements in working capital:				
Receivables and prepayments	(319,069)	(179,344)	-	-
Creditors, accruals and taxation	646,138	(239,557)	152,398	-
Net cash flow applied to operating activities	(94,650)	(457,892)	(73,917)	-

* The Company was only operational for four months of the 2011 financial year

13. INVESTMENTS

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Investments in subsidiaries				
Cost	-	-	5,000,000	
Less impairment	-	-	5,000,000	-

The Company's investment in subsidiary is stated at cost less impairment. All subsidiaries have 31 March balance dates except Snakk Media Pty Limited which has a 30 June balance date to align with the Australian income tax year. Other details are:

Name of entity	Principal activities	Incorporated	Group Interest		Value of Investment ($000's)	
			2012	2011	2012	2011
Agent M Group Limited	NZ holding company	NZ	100%	-	5,000	-
Snakk Media Pty Limited	Provision of end to end mobile media solutions	Aust	100%	-	-	-
Agent M (US) Inc	Not trading	USA	100%	-	-	-
					5,000	-

14. ADVANCES TO SUBSIDIARIES

	Company	
	2012	2011
	$	$
Agent M Group Limited	146,560	-
Snakk Media Pty Limited	205,769	-
	352,329	-

Advances to subsidiaries are unsecured and interest bearing. There is no fixed repayment date and advances are not expected to be repaid within 12 months.

15. COMMITMENTS

The following amounts have been committed to but not recognised in the financial statements. Non-cancellable operating lease commitments relate to premises. The Group has no right of renewal or purchase option over the premises.

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Within 1 year	43,682	-	-	-

At reporting date the Company and the Group had no material outstanding capital expenditure commitments (2011: nil).

16. CONTINGENT LIABILITIES

The Company and Group have no contingent liabilities at balance date (2011: nil).

17. EARNINGS PER SHARE

The loss of $624,749 (2011: $39,274) for the year represented a loss per share shown below based on weighted average ordinary shares on issue during the year.

	2012	2011
Weighted average ordinary shares issued	159,849,557	82,613,277
Weighted average dilutive options issued (note 23)	4,647,945	-
Weighted average number of ordinary shares for diluted loss per share	164,497,502	82,613,277
Basic earnings/(loss) per share (cents)	(0.39)	(0.05)
Diluted earnings/(loss) per share (cents)	(0.38)	(0.05)

18. FINANCIAL RISK MANAGEMENT

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk (including interest rate risk and credit risk) which arise as a result of its activities.

(i) Interest rate risk

Interest rates on cash and cash equivalents ranged from 0% to 4.25% (2011: 0% p.a.) The interest rate on advances to subsidiaries was LIBOR plus 3% (2011: nil).

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Variable rate instruments				
Financial assets				
Cash & cash equivalents	966,590	70,102	949,202	100
Advances to subsidiaries	-	-	352,329	-
Fixed rate instruments				
Cash & cash equivalents	10,000	-	10,000	-

Cash flow sensitivity analysis for interest bearing financial instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Group	$	$	$	$
31 March 2012				
Cash & cash equivalents	12,426	(9,766)	12,426	(9,766)
31 March 2011				
Cash & cash equivalents	701	-	701	-
Company				
31 March 2012				
Cash & cash equivalents	10,330	(9,592)	10,330	(9,592)
Advances to subsidiaries	3,523	(3,523)	3,523	(3,523)
31 March 2011				
Cash & cash equivalents	-	-	-	-

Snakk Media Limited (previously Rec No.1 Limited)

(ii) Credit risk

In the normal course of business the Company and the Group incurs credit risk from transactions. The Group has a credit policy which is used to manage this exposure to credit risk. As part of this policy, exposures are monitored on a regular basis. Cash is deposited with reputable financial institutions. At balance date the banking counterparties are Westpac Banking Corporation and Bank of New Zealand. The Group does not require any collateral or security to support financial instruments.

Maximum exposures to credit risk at reporting date are as follows:

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Carrying amounts of financial assets				
Cash and cash equivalents	1,242,575	70,102	1,032,986	100
Trade receivables	527,686	149,390	-	-
Advances to subsidiaries	-	-	352,329	-
Receivables by geographic region				
Australia	526,495	128,067	-	-
New Zealand	1,191	10,945	-	-

The Group's largest individual debtor at the reporting date accounts for $133,124 (2011: $71,155) of the trade receivables.

Concentrations of credit risk

The Group's largest customer accounts for 46% (2011: 32%) of total sales and 25% (2011: 48%) of trade receivables at balance date. 84% (2011: 100%) of the Group's reporting date cash was with one bank. The Group does not have any other significant concentrations of credit risk.

(iii) Currency risk

The Group trades in Australian dollars and New Zealand dollars. There is no material currency risk within the individual companies comprising the Group.

(iv) Liquidity risk

Liquidity risk represents the Group's ability to meet its financial obligations on time. The Group generates sufficient cash flows from its operations and financing activities to make timely payments.

The following are the gross contractual cash outflows of financial liabilities:

31 March 2012	Carrying amount	Contractual cash flows	0 – 3 months	4 – 12 months	1 – 2 years	3 – 5 years	5+ years
Group							
Trade and other payables	622,839	(622,839)	(534,525)	(88,314)	-	-	-
Company							
Trade and other payables	157,456	(157,456)	(157,456)	-	-	-	-
31 March 2011							
Group							
Trade and other payables	217,655	(217,655)	(212,400)	(5,255)	-	-	-
Company							
Trade and other payables	-	-	-	-	-	-	-

(v) Impairment allowance

The ageing of receivables at reporting date was:

	2012		2011	
	Gross	Impairment	Gross	Impairment
Group	$	$	$	$
0 – 30 days	305,539	-	84,508	-
31 – 60 days	222,147	-	59,408	-
61 – 90 days	-	-	-	-
91 – 120 days	-	-	5,474	-
	527,686	-	149,390	-

No impairment of receivables was considered necessary. Factors considered in determining whether any impairment provision was required were the age of the debt, the financial position of the debtor and past payment history. Amounts greater than 60 days old are considered past due but not impaired.

The Company had no impaired receivables at 31 March 2012 (2011: $ nil)

(vi) Fair values

There is no significant difference between the fair values and the carrying amounts of financial assets and liabilities in the Statements of Financial Position as at balance date (2011: $ nil).

(vii) Capital management

The Company's objectives when managing capital are to safeguard the Company's and the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company currently monitors capital on the basis of cash requirements and, in order to maintain or adjust the capital structure, undertakes issues of new shares to investors and existing shareholders. The Group and the Company have not been subject to any externally imposed capital requirements during the period or comparative period. The Company's focus is on listing the Company on the NZ Stock exchange which will give it greater access to capital. Also see note 22 on going concern.

(viii) Financial instruments by category

		2012	2011
Group		$	$
Financial assets	**Loans & receivables**		
Trade and other receivables		527,686	149,390
Cash and cash equivalents		1,242,575	70,102
		1,770,261	219,492
Financial liabilities	**Measured at amortised cost**		
Trade and other payables		893,950	212,636
Company			
Financial assets	**Loans & receivables**		
Cash and cash equivalents		1,032,986	-
Advances to subsidiaries		352,329	-
		1,385,315	-
Financial liabilities	**Measured at amortised cost**		
Trade and other payables		157,456	-

19. SEGMENT INFORMATION

The Group is organised into one operating segment, the provision of mobile phone enabled promotions and marketing services. The segment result is reflected in the financial statements. The Group operates principally in Australia.

Two (2011; three) customers of the Group's media & marketing segment (each of whom individually exceeds 10% of the Groups' revenues) represent approximately $911,000 and $246,000 (2011: $186,000, $185,000 and $83,000) respectively of the Group's total revenues.

20. RELATED PARTY INFORMATION

General

All entities in the Group are considered to be related parties of Snakk Media Limited. Subsidiaries are identified in note 13.

At reporting date the Directors of the Company controlled 71% (2011: nil) of the voting shares in the Company.

Derek Handley is the sole shareholder of Far East Associated Traders Limited (the ultimate parent company) which holds 30.8% of the shares in the Company at balance date. Derek Handley provides executive services to the Company.

Sean Joyce, director of the Company, provides legal services to the Company through Corporate Counsel. Payment is due on normal commercial terms.

Companies within the Group are charged on an arm's length basis for services provided to them by other group companies.

The Company advances amounts to its subsidiaries to fund their operations. Advances to subsidiaries are unsecured and bear interest at a rate of LIBOR plus 3% (2011: not applicable). There is no fixed repayment date and advances are not expected to be repaid within 12 months.

	Group		Company	
	2012	2011	2012	2011
	$	$	$	$
Corporate Counsel	16,000	-	16,000	-
Interest earned from subsidiaries	-	-	5,611	-
Advances to subsidiaries	-	-	173,902	-
Management fee income	-	-	178,427	-
Balances outstanding				
Payable to Derek Handley	62,111	-	62,111	-
Payable to Corporate Counsel	4,025	-	4,025	-
Amounts receivable from subsidiaries	-	-	352,329	-
Key management personnel compensation (excluding directors' remuneration) comprised:				
Short term employee benefits	301,583	124,872	-	-
Share based payments	160,255	-	160,255	-
	461,838	124,872	160,255	-

Key management personnel and director transactions

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers in the form of share options (see note 23).

Directors' remuneration

During the period, the Board approved the following fees and remuneration, including all share option benefits, for the directors:

	2012		2011	
	Director's Fees	Other Remuneration	Director's Fees	Other Remuneration
Company & Group	$	$	$	$
Directors of Snakk Media Limited				
D Handley	60,419	17,488	-	-
S Joyce	24,792	17,488	-	-
P Norman	24,792	17,488	-	-
	110,003	52,644	-	-

21. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Further capital of $123,000 has been received since the reporting date, being 2,460,000 shares issued at 5 cents per share.

There have been no other events subsequent to reporting date which have a material effect on these financial statements.

22. GOING CONCERN

The Group financial statements for the year ended 31 March 2012 report a loss of $610,301 (2011: $35,520). As at 31 March 2012 the Group had cash balances totalling $1.242 million. In the year ended 31 March 2012 the Company successfully raised approximately $1.3 million in share capital. A further $123,000 has been raised subsequent to balance date.

After consideration and making appropriate inquiries, the Directors have a reasonable expectation that the Group has, and will have, sufficient resources to continue its operations for the foreseeable future.

While the Directors anticipate accelerated growth in media advertising through mobile devices will result in increased revenue for the Group from its business activities, they expect a net cash out flow from the operating activities of the Group for the foreseeable future.

The Directors anticipate funding the operating cash out flow from existing cash reserves and further capital raisings, as and when required, to ensure that the Group has sufficient cash reserves available to meet the Group's obligations for at least 12 months from the date of the authorisation of these financial statements.

The Directors acknowledge that the ability to raise additional capital and maintain sufficient cash reserves to fund continued planned operations represent material uncertainties that cast significant doubt on the Group's ability to continue as a going concern. Should additional capital raisings on which the growth of the business is reliant are unsuccessful the business activities of the Group will need to be reduced however cash reserves may not be sufficient.

Having regard to all the matters noted above, the Directors believe it remains appropriate to adopt the going concern assumption in the preparation of the financial statements.

The financial statements for the year ended 31 March 2012 do not include any adjustments that would result if the Group was unable to continue as a going concern.

23. SHARE BASED PAYMENTS

In October 2011 the Group established a share option plan that entitles selected directors and executives to purchase shares in the Company. In accordance with the terms of issue of the options, holders are entitled to acquire shares at the price determined at the time the options were issued. All options are to be delivered by physical delivery of shares. Terms and conditions of grants are as follows:

Grant date	Personnel entitled	Number of instruments	Vesting conditions	Contractual life of option
7/11/2011	Key executives	7,200,000	Three equal tranches, vesting one on the day of grant & one on each of the next two anniversaries of the grant.	Until 5 calendar years from the date of vesting
7/11/2011	Directors	4,500,000	Three equal tranches, vesting one on each of the first, second and third anniversaries of the grant.	Until 5 calendar years from the date of vesting
		11,700,000		

The number and average exercise price of the shares options is as follows:

	2012		2011	
Company & Group	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April	-	-	-	-
Granted during the period	5 cents	11,700,000	-	-
Exercised during the period		-		-
Outstanding at 31 March		11,700,000		-

Options outstanding at 31 March 2012 have an exercise price of 5 cents and a weighted average contractual life of 4.6 years. The fair value of services received in return for the share options granted is based on the fair value of share options granted measured using a Black Scholes model with the following inputs:

	Key Executives		Directors	
	2012	2011	2012	2011
Estimated fair value per share at grant date	3.8 cents	-	3.8 cents	-
Exercise price per share	5 cents	-	5 cents	-
Expected volatility	100%	-	100%	-
Option life from date of grant	5 years	-	5 years	-
Risk free interest rate	4.17%	-	4.17%	-

Expected volatility was estimated by reference to the volatility of listed equity securities for businesses of a similar nature to the Company operating in the media industry.

	2012	2011
Employee Expenses	$	$
Share based payment expense	212,720	-

24. BUSINESS COMBINATION

On 16 July 2011 Snakk Media Limited acquired 100% of the share capital of Agent M Group Limited in a reverse acquisition through which Agent M Group Limited's former shareholders were issued with 100,000,000 shares in Snakk Media Limited as an initial step towards listing on the NZ Stock Exchange. On the conclusion of the transaction, 95.12% of the share capital of Snakk Media Limited was held by the former shareholders of Agent M Group Limited. In accordance with IFRS, the Group financial statements represent the continuation of the Agent M Group Limited and its subsidiaries, with Snakk Media Limited financial statements consolidated into the Group from acquisition date. The acquired company contributed other income of $20,939 and loss after tax of $422,432 to the Group for the period 16 July 2011 to 31 March 2012. If the acquisition had been on 1 April 2011 nothing further would have been included in the Group's results as Snakk Media Limited was not trading prior to the date of acquisition.

Details of the net assets acquired and goodwill are as follows:

	2012
Purchase consideration:	$
Shares issued at fair value	3,995
Total purchase consideration	3,995
Cash at bank – fair value of net assets	100
Purchase consideration expensed to the Statement of Comprehensive Income	3,895
	3,995

ADDITIONAL INFORMATION

1. SHAREHOLDER STATISTICS

Spread of security holdings at 14 June 2012	Shareholders		Ordinary Shares	
Holding Range	Number	%	Number	%
1 to 99	1,081	44.76	53,702	0.03
100 to 199	187	7.74	24,464	0.01
200 to 499	383	15.86	113,666	0.06
500 to 999	182	7.54	124,428	0.06
1,000 to 1,999	199	8.24	268,675	0.14
2,000 to 4,999	189	7.83	527,609	0.27
5,000 to 9,999	55	2.28	362,970	0.19
10,000 to 49,999	57	2.36	1,118,392	0.57
50,000 to 99,999	12	0.5	871,219	0.45
100,000 to 499,999	39	1.61	9,027,966	4.63
500,000 to 999,999	12	0.5	7,817,972	4.01
1,000,000 to 9,999,999,999,999	19	0.79	174,703,602	89.58
Total	2,415	100	195,014,665	100

Location Analysis as at 14 June 2012

Country/Region	Holder Count	Holder Count %	Holding Quantity	Holding Quantity %
New Zealand - Auckland City	431	17.85	162,088,534	83.12
New Zealand - Bay Of Plenty	3	0.12	180	0
New Zealand – Blenheim	26	1.08	46,600	0.02
New Zealand – Canterbury	6	0.25	2,761	0
New Zealand – Christchurch	144	5.96	79,811	0.04
New Zealand – Dunedin	49	2.03	21,640	0.01
New Zealand – Gisborne	23	0.95	4,235	0
New Zealand – Greymouth	4	0.17	220	0
New Zealand – Hamilton	6	0.25	30,474	0.02
New Zealand – Hastings	8	0.33	4,743	0
New Zealand – Hawke's Bay	53	2.19	27,259	0.01
New Zealand – Invercargill	33	1.37	21,701	0.01
New Zealand - Lower Hutt	11	0.46	11,298	0.01
New Zealand – Manawatu	94	3.89	90,934	0.05
New Zealand – Manukau	123	5.09	1,088,830	0.56
New Zealand – Marlborough	6	0.25	2,381	0
New Zealand – Masterton	27	1.12	8,186	0
New Zealand – Napier	13	0.54	102,277	0.05
New Zealand – Nelson	66	2.73	51,707	0.03
New Zealand - New Plymouth	1	0.04	60	0
New Zealand - North Shore	209	8.65	3,556,609	1.82
New Zealand – Northland	59	2.44	64,076	0.03
New Zealand – Oamaru	18	0.75	22,267	0.01
New Zealand - Otago & Southland	17	0.7	13,969	0.01
New Zealand – Others	15	0.62	911,376	0.47
New Zealand - Palmerston North	10	0.41	3,920	0
New Zealand – Rodney	16	0.66	84,052	0.04
New Zealand – Rotorua	23	0.95	7,769	0
New Zealand - South Auckland	44	1.82	83,841	0.04
New Zealand – Taranaki	41	1.7	133,170	0.07
New Zealand – Tauranga	106	4.39	65,965	0.03
New Zealand – Thames	19	0.79	238,019	0.12
New Zealand – Timaru	23	0.95	4,107	0
New Zealand - Upper Hutt	4	0.17	3,804	0
New Zealand – Waikato	111	4.6	241,193	0.12
New Zealand – Waitakere	58	2.4	69,621	0.04
New Zealand – Wanganui	30	1.24	37,918	0.02
New Zealand – Wellington	311	12.88	356,883	0.18
New Zealand – Westport	1	0.04	60	0
New Zealand – Whangarei	34	1.41	33,019	0.02
Australia - New South Wales & A.C.T.	29	1.2	3,267,333	1.68
Australia – Queensland	38	1.57	325,891	0.17
Australia – Tasmania	1	0.04	40	0
Australia – Victoria	13	0.54	13,093	0.01
Australia - Western Australia	4	0.17	10,860	0.01
Canada	1	0.04	640	0
China	2	0.08	512	0
France	1	0.04	256,063	0.13
Hong Kong	11	0.46	17,344,332	8.89
Ireland	1	0.04	668	0
Japan	1	0.04	160,619	0.08
Malaysia	2	0.08	1,445	0
Netherlands	3	0.12	63,209	0.03
Republic Of Korea	1	0.04	1,440	0
Singapore	2	0.08	183	0
Switzerland	2	0.08	10,400	0.01
Taiwan	2	0.08	463	0
Thailand	3	0.12	1,815,565	0.93
U.S.A.	13	0.54	2,116,418	1.09
United Kingdom	8	0.33	9,659	0
Vanuatu	1	0.04	363	0
Total	2415	99.97	195014665	99.98

2. MAJOR SHAREHOLDERS

The top twenty holders of ordinary issued fully paid shares at 14 June 2012 were:

Name	Number of shares held	Percentage of issued shares
Far East Associated Traders Limited	59,729,248	30.628
Custodian Nominee Company Limited	25,373,515	13.011
Claridge Capital Limited	25,000,000	12.82
HPF Investments Limited	24,783,898	12.709
China Scot Limited	10,713,540	5.494
Rakia Limited	10,115,940	5.187
China Scot International Limited	3,074,126	1.576
Cadre Investments Limited	2,000,000	1.026
Andrew Jacobs	2,000,000	1.026
Trevor Alan Smith	1,500,000	0.769
Oxbow Holdings Limited	1,400,000	0.718
Peter Morrison	1,307,691	0.671
Jonathon Swan	1,257,395	0.645
Ward & Corner Capital Limited	1,200,000	0.615
Keenan Kwok	1,144,873	0.587
John Handley	1,103,376	0.566
K One W One Limited	1,000,000	0.513
Norwood Holdings Limited	1,000,000	0.513
Sparkbox Investments Limited	1,000,000	0.513
Rodney George Willis & Ronald MacGregor Irvine	885,206	0.454
Total	175,558,808	90.039%

3. INTERESTS' REGISTER

Each company in the Group is required to maintain an interests' register in which the particulars of certain transactions and matters involving the directors must be recorded. The interests' registers for Snakk Media Limited and its subsidiaries are available for inspection at its registered office. When a director has declared an interest in a particular entity, as a shareholder or director, the declaration serves as notice that the director may benefit from any transaction between the Company and the identified entity.

Entries in the Interests' Register

The following entries were recorded in the interests register during the year:

a. Pursuant to the authority in the Parent company's constitution, the Company has indemnified Derek Handley, Phil Norman and Sean Joyce for liability as directors and officers.

b. Derek Handley, Phil Norman and Sean Joyce were each granted options to acquire 1,500,000 shares in the Company at 5 cents per share. The term of the options are five years.

c. Sean Joyce is a non-executive director of Claridge Capital Limited, which company subscribed for 25,000,000 shares at 0.9 cents per share.

d. Derek Handley is a director and controller of Far East Associated Traders Limited, which company subscribed for 25,000,000 shares at 0.5 cents per share.

e. Derek Handley entered into a service agreement with the Company pursuant to which he agreed to provide certain management and operational services to the Company and its subsidiaries for an annual fee of $125,000, which fee includes his remuneration as Chairman of the Board of Directors of the Company;

f. Sean Joyce provides legal services to the Company.

4. DIRECTORS' SHAREHOLDINGS

Details of directors' shareholdings as at 31 March 2012 are set out below:

		Beneficially	Associated Persons
Derek Handley	Shares	-	59,729,248
Sean Joyce	Shares	-	25,000,000
Phil Norman	Shares	-	-

No existing directors sold shares during the year.

Each director holds 1,500,000 options to acquire ordinary shares at an exercise price of 5 cents per share. The term of the options is five years.

5. DIRECTORS' AND OFFICERS' INDEMNIFICATION AND INSURANCE

Snakk Media Limited indemnifies all current directors and officers of the Group against all liabilities (other than to the Company or a subsidiary) which arise out of the performance of their normal duties as directors or officers, unless the liability relates to conduct involving lack of good faith. To manage this risk, the Group has obtained indemnity insurance for the period post balance date. The total cost of the insurance during the financial period ending 2013 is anticipated to be approximately $5,245 excluding GST.

6. DIRECTORS' DISCLOSURES

The Boards of the Group's subsidiaries are comprised of members from the Board of the Parent. Where appropriate for jurisdictional or operational issues, outside directors may be introduced.

Company	Directors
Snakk Media Limited	Derek Handley, Phil Norman and Sean Joyce (Roger Gower resigned on 18 July 2011)
Agent M Group Limited	Derek Handley
Snakk Media Pty Limited	Derek Handley and Andre de Frere

7. EMPLOYEE REMUNERATION

During the period employees, including executive directors, within the Group received remuneration, termination payments and benefits which exceeded $100,000 as follows:

Number of employees	Band
1	$280,000 – $290,000

8. DONATIONS

No donations were made by the Company during the financial year ended 31 March 2012.

9. PAYMENTS MADE TO AUDITORS

The Company has paid the amount of $42,500 to PWC as auditor for the Company in respect of audit fees for the audit of the financial statements for the Company for the financial years ended 31 March 2011 and 31 March 2012.

DIRECTORY

Postal Address

P.O. Box 105745
Auckland City
Auckland 1143
Phone: 021 865 704

Board of Directors

Derek Handley (appointed 16 July 2011)
Sean Joyce (appointed 16 July 2011)
Phil Norman (appointed 16 July 2011)
Roger Gower (resigned 18 July 2011)

Share Register

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