

Appendix 4D Half Yearly Report

Name of entity

Jumbuck Entertainment Ltd

ABN or equivalent company reference
69 092 817 171

Reporting Period
31 December 2013
 (Comparative period – 31 December 2012)

1.0 Results for announcement to the market

				\$A
1.1 Total revenues from ordinary activities	Down	(42%)	to	903,474
1.2 Loss from continuing operations after tax attributable to members	Down	(88%)	to	(935,944)
1.3 Net loss for the period attributable to members	Down	(88%)	to	(935,944)
1.4 Dividends (distributions)	Amount per security		Franked amount per security	
Current period				
Final dividend	N/A		N/A	
Interim dividend	N/A		N/A	
	N/A			
Previous corresponding period				
Final dividend	N/A		N/A	
Interim dividend	N/A		N/A	
	N/A			
1.5 Record date for determining entitlements to the dividend.	N/A			

1.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood.

Review and Results of Operations

Jumbuck Entertainment Ltd - Consolidated Group

- The principal activities of Jumbuck Entertainment Ltd (Jumbuck) during the half year ended 31 December 2013 were:
 - the continued provision of global chat and dating communities to carriers;
 - the migration and deployment of global chat communities on popular smart phones platforms; and
 - commercial solutions focused on mitigating social media risks including brand protection and reputation management.
- On 4 October 2013, the Company announced plans to leverage Jumbuck's existing assets to re-focus the business, to be renamed "Primary Opinion", as the leading global information and networking community for business professional advisers in the Financial Services, Tax & Accounting, Legal, HR and Regulatory & Compliance sectors.
- To support the implementation of Primary Opinion, the Company sought to raise \$3.0 million through the issue of 250,000,000 ordinary shares at an issue price of \$0.012, with the raised funds to be principally used to fund the establishment of Primary Opinion.
- The Company announced that Mr Martin Burke, formerly of Melbourne IT Ltd (where he led its international digital brand services division), would lead Jumbuck through the implementation of Primary Opinion. Mr Burke's appointment was subject to shareholder approvals in connection with the capital raising, as well as in connection with the sign-on and incentive arrangements agreed between the Company and Mr Burke.
- Following the required shareholder approvals at the Annual General Meeting of the Company on 11 December 2013, the new Primary Opinion business, the new CEO, and the new leadership team would all be London based.
- On 11 December 2013, the Company also announced plans to implement a share purchase plan to allow all shareholders the opportunity to participate in the Primary Opinion initiative through the acquisition of further shares in the Company.
- At 31 December 2013, the Company had received proceeds of \$2,745,000 from subscribers, with the balance received during January 2014.
- Total Consolidated Revenue for the half year ended 31 December 2013 was \$903,474 (2012: \$1,569,066), a decrease of 42%. The decline in revenue during the period was driven by the following key factors:
 - structural changes associated with carriers shifting from paying for data traffic to sharing end user revenues;
 - structural changes to premium SMS billing services to improve compliance with both regulatory and carrier requirements; and
 - the reduction in partner and consumer support for Jumbuck's traditional mobile carrier-based chat businesses.
- During the period, Jumbuck's review of resources against forecast revenues led to a reduction in staff and other costs in Jumbuck's traditional mobile carrier-based chat business. These revenue-generating products continue to be supported as the company continues to streamline its consumer-chat portfolio. Further savings were also made around Jumbuck's interactive, moderated video broadcast platform to better align its remaining resources in this segment.
- Total Operating Costs for the half year ended 31 December 2013 were \$1,922,473 (2012: \$9,032,080).
 - Total current period Operating Costs include non-recurring expenses of \$224,933 (2012: \$6,118,850) associated with restructuring costs of \$29,758 (2012: \$326,805), \$54,791 due to the write down of fixed assets and \$160,384 for employee share based payments. Excluding these non-recurring expenses, Total Operating Expenses fell 42% to \$1,677,540 when compared to the same period last year.
- Loss after Tax for the half year ended 31 December 2013 was \$935,944 (2012: \$7,878,904 loss).
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) for the half year ended 31 December 2013 was \$995,475 loss (2012: \$7,038,198 loss).
- Earnings Before Interest and Tax (EBIT) for the half year ended 31 December 2013 was \$1,027,324 loss (2012: \$7,508,026 loss).
- Cash and cash equivalents as at 31 December 2013 was \$3,407,488 (30 June 2013: \$1,199,044).
- Operating Cashflow for the half year ended 31 December 2013 was \$371,570 negative (2012: \$1,062,885 negative).
- At the 21 February 2014 Board Meeting, the directors did not declare any final dividend on ordinary shares in respect of the half year ended 31 December 2013 (2012: Nil).

Jumbuck Entertainment Ltd - 31 December 2013 Half Yearly Report

2.0 NTA Backing	Current period 31 December 2013	Previous Period 30 June 2013
Net tangible asset backing per +ordinary security	0.01 Cents	0.02 Cents

Total Net Assets at 31 December 2013 were \$3,082,333 (30 June 2013: \$1,073,069).

3.0 Control gained or lost over entities having material effect

3.1	Name of entity (or group of entities) of which control was gained during the period.	<p>Primary Opinion Ltd, a new subsidiary of Jumbuck Entertainment Ltd, was incorporated in the UK on 24 October 2013.</p> <p>Apart from the above there were no other entities which control was gained/lost during the period which had a material effect.</p>
3.2	Consolidated profit/(loss) from ordinary activities <u>after tax</u> of the controlled entity (or group of entities) since the date in the current period on which control was obtained.	<p>Not applicable as there were no entities which control was gained/lost during the period which had a material effect.</p>
3.3	Date from which such profit has been calculated.	<p>Not applicable as there were no entities which control was gained/lost during the period which had a material effect.</p>
3.4	Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) disposed during the period, for the whole of the previous corresponding period.	<p>Not applicable as there were no entities which control was gained/lost during the period which had a material effect.</p>

4.0 Dividends

If this is the final dividend, has it been declared?

N/A

Amount per security

Dividends (distributions)	Amount per security	Franked amount per security	Amount per security of foreign sourced dividend
Current Year			
Final	N/A	N/A	N/A
Interim	N/A	N/A	N/A
	N/A		
Previous Year			
Final	N/A	N/A	N/A
Interim	N/A	N/A	N/A
	N/A		

Total Dividends (distributions) per security (interim + final)	Current Year	Previous Year
Final	N/A	N/A
Interim	N/A	N/A
Total	N/A	N/A

Additional information on current year dividends

Date the dividend (distribution) is payable.

Not Applicable

Details of individual and total dividends or distributions and dividend or distribution payments.

Not Applicable

The last date(s) for receipt of election notices for the dividend or distribution plans.

Not Applicable

5.0 Material interests in entities which are not controlled entities

Primary Opinion Ltd, a new subsidiary of Jumbuck Entertainment Ltd, was incorporated on 24 October 2013. Except for the above, there are no other entities which control was gained/lost during the year which had a material effect.

6.0 Compliance Statement

This report has been prepared in accordance with the Australian Accounting Standards (including Australian Accounting Interpretations).

The report has been prepared based on a 31 December 2013 Half Yearly Financial Report which has been reviewed by an independent Audit Firm in accordance with the requirements of S302 of the Corporation Act.

Signed here:

Angelo Tsagarakis
Company Secretary

Date: 21 February 2014

JUMBUCK ENTERTAINMENT LTD
(ABN 69 092 817 171)

FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED
31 DECEMBER 2013

ASX CODE: JMB

JUMBUCK ENTERTAINMENT LTD

ABN 69 092 817 171

DIRECTORS

Mr. Harvey C Parker (Chairman)
The Hon Jeffrey G Kennett AC
Mr. Tom SP Kiing
Mr. Martin Burke (Chief Executive Officer and Managing Director)
(Appointed on 11 December 2013)

CHIEF OPERATING OFFICER AND COMPANY SECRETARY

Mr. Angelo Tsagarakis

REGISTERED OFFICE

Suite 2, 53 Coppin Street
Richmond Victoria 3121
Tel : +613 8414 0100
Fax : +613 8692 6978

SHARE REGISTRY

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067
Australia

AUDITORS

Deloitte Touche Tohmatsu

INTERNET ADDRESS

<http://www.jumbuck.com>

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JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION

The names of the company's directors in office during the half year ended 31 December 2013, and until the date of this report are as below. Directors were in office for the entire period unless otherwise stated.

Mr. Harvey C Parker	Chairman and Independent Non-Executive Director
The Hon Jeffrey G Kennett AC	Independent Non-Executive Director
Mr. Tom SP Kiing	Independent Non-Executive Director
Mr. Martin Burke	Chief Executive Officer and Managing Director (Appointed on 11 December 2013)

CHIEF OPERATING OFFICER AND COMPANY SECRETARY

Mr. Angelo Tsagarakis

PRINCIPAL ACTIVITIES

The principal activities of Jumbuck Entertainment Ltd ('Jumbuck') or the "Company" during the half year ended 31 December 2013 were:

- the provision of global chat and dating communities to carriers;
- the migration and deployment of global chat communities on popular smart phone platforms; and
- commercial solutions focused on mitigating social media risks including brand protection and reputation management.

REVIEW OF OPERATIONS AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The financial performance of Jumbuck Entertainment Ltd for the half year ended 31 December 2013 as outlined in the Review of Operations section within the Appendix 4D is disappointing. However, underlying this result, the consolidated entity is still positioned to rebuild its revenue and profitability.

During the last 6 months, the Company announced plans to leverage Jumbuck's existing assets to re-focus the business, to be renamed "Primary Opinion", as the leading global information and networking community for business professional advisers in the Financial Services, Tax & Accounting, Legal, HR and Regulatory & Compliance sectors.

To support the implementation of Primary Opinion, the Company sought to raise \$3.0 million through the issue of 250,000,000 ordinary shares at an issue price of \$0.012, with the raised funds to be principally used to fund the establishment of Primary Opinion.

The Company announced that Mr Martin Burke, formerly of Melbourne IT Ltd, where he led its international digital brand services division, would lead Jumbuck through the implementation of Primary Opinion. Mr Burke's appointment was subject to shareholder approvals in connection with the capital raising, as well as in connection with the sign-on and incentive arrangements agreed between the Company and Mr Burke.

Following the required shareholder approvals at the Annual General Meeting of the Company on 11 December 2013, the new Primary Opinion business, the new CEO, and the new leadership team would all be London based.

On 11 December 2013, the Company also announced plans to implement a share purchase plan to allow all shareholders the opportunity to participate in the Primary Opinion initiative through the acquisition of further shares in the Company.

At 31 December 2013, the Company had received proceeds of \$2,745,000 from subscribers, with the balance received during January 2014.

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION (continued)

RESULTS

The Statutory Loss of the Jumbuck Entertainment Ltd Group for the half year ended 31 December 2013 was \$935,944 (2012: \$7,878,904 loss). The following table reconciles Statutory Profit to Underlying Profit and Statutory Earnings before Interest and Tax (EBIT) to Operating EBIT:

	6 months December 2013	6 months December 2012
	\$	\$
Statutory Loss	(935,944)	(7,878,904)
Add Back Significant Items		
Impairment of Assets	54,791	5,792,045
Costs associated with the transition of the Consumer Chat Business	29,758	326,805
Underlying Loss	(851,395)	(1,760,054)
Statutory EBIT	(1,027,324)	(7,508,026)
Add Back Significant Items		
Impairment of Assets	54,791	5,792,045
Costs associated with the transition of the Consumer Chat Business	29,758	326,805
Operating EBIT	(942,775)	(1,389,176)
Finance income	8,325	45,012
Underlying profit before tax	(934,450)	(1,344,164)
Income Tax (Expense)/Benefit	83,055	(415,890)
Underlying Loss	(851,395)	(1,760,054)

The above financial information has not been subject to audit or review by the auditors.

Underlying Loss and Operating EBIT are the Statutory Loss and Statutory EBIT respectively adjusted for significant items. The Company believes that the Underlying Loss and Operating EBIT provide a better understanding of its financial performance and allows for a more relevant comparison between financial periods.

The Company believes that the Underlying Loss and Operating EBIT are useful as they remove material items of revenues or expense that are unrelated to the ongoing performance of the business therefore facilitating a more representative comparison of financial performance between financial periods.

Underlying Loss is presented with reference to the Australian Securities and Investment Commission Regulatory Guide 230 'Disclosing non-IFRS financial information'.

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION (continued)

SIGNIFICANT ITEMS

On 4 October 2013, the Company announced plans to leverage Jumbuck's existing assets to re-focus the business, to be renamed "Primary Opinion", as the leading global information and networking community for business professional advisers in the Financial Services, Tax & Accounting, Legal, HR and Regulatory & Compliance sectors. The resulting change in direction away from the traditional Consumer Chat business, resulted in costs associated with the transition of the Consumer Chat Business of \$23,758 (2012: \$326,805), and asset impairment costs of \$54,791 (2012: \$5,792,045) against the legacy Chat business.

Apart from the above, there have not been any other significant items which have occurred and not been recognised during the half year ended 31 December 2013.

EARNINGS PER SHARE

Earnings per share (EPS) have been calculated on the loss after tax attributable to shareholders (Statutory Loss) and the Underlying Loss.

	31 Dec 2013	31 Dec 2012
	Cents	Cents
Statutory earnings per share	(1.36)	(16.15)
Underlying earnings per share	(1.23)	(3.61)

DIVIDENDS

No dividends have been paid or declared since the start of the financial year ended 2013 (2012: nil) and the Company does not propose to pay a dividend for this reporting period.

SUBSEQUENT EVENTS

No other significant events have occurred after balance date and up to the date of this report that require disclosure.

There has not been any matter or circumstance in the interval between the end of the half year and the date of this report that has materially affected or may materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial period

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' INFORMATION (continued)

AUDITORS INDEPENDENCE DECLARATION


The Auditors Independence Declaration as required under section 307C of the Corporations Act is set out on page 5.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Jumbuck Entertainment Ltd support and adhere to the principles of corporate governance.

The Company's corporate governance statement is available on the company's website www.jumbuck.com, and is contained in the 30 June 2013 annual report.

Signed in accordance with a resolution of the directors



Hon Jeffrey G Kennett AC
Director

Dated at Melbourne this 21 February 2014

The Board of Directors
Jumbuck Entertainment Ltd
Suite 2, 53 Coppin Street
RICHMOND, VIC 3000

21 February 2014

Dear Board Members

Jumbuck Entertainment Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Jumbuck Entertainment Ltd.

As lead audit partner for the review of the financial statements of Jumbuck Entertainment Ltd for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely


DELOITTE TOUCHE TOHMATSU


Paul Carr
Partner
Chartered Accountants

Independent Auditor's Review Report to the Members of Jumbuck Entertainment Ltd

We have reviewed the accompanying half-year financial report of Jumbuck Entertainment Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2013, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 8 to 17.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jumbuck Entertainment Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

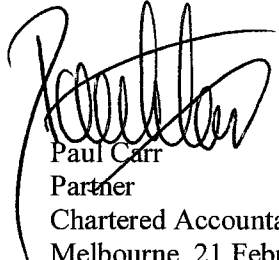
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Jumbuck Entertainment Ltd, would be in the same terms if given to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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jumbuck Entertainment Ltd is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.


DELOITTE TOUCHE TOHMATSU


Paul Carr
Partner
Chartered Accountants
Melbourne, 21 February 2014

JUMBUCK ENTERTAINMENT LTD

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Jumbuck Entertainment Ltd;

- (1) I state that in the opinion of the directors;
 - (a) the financial statements of the consolidated entity:
 - (i) give a true and fair view of the financial position as at 31 December 2013 and the performance for the half year ended on that date of the consolidated entity;
 - (ii) comply with Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors



Hon Jeffrey G Kennett AC
Director

Melbourne: 21 February 2014

JUMBUCK ENTERTAINMENT LTD

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	CONSOLIDATED	
		31 Dec 13	30 Jun 13
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		3,407,488	1,199,044
Trade and other receivables	4	555,214	649,478
Current tax assets		-	350,000
Other current assets		67,245	20,785
Total Current Assets		4,029,947	2,219,307
Non-Current Assets			
Plant and equipment		27,730	107,766
Total Non-Current Assets		27,730	107,766
TOTAL ASSETS		4,057,677	2,327,073
LIABILITIES			
Current Liabilities			
Trade and other payables	5	817,651	1,034,198
Current tax liabilities		4,877	12,427
Provisions		152,816	203,103
Total Current Liabilities		975,344	1,249,728
Non-Current Liabilities			
Provisions		-	4,276
Total Non-Current Liabilities		-	4,276
TOTAL LIABILITIES		975,344	1,254,004
NET ASSETS		3,082,333	1,073,069
EQUITY			
Contributed equity	6	12,566,785	9,649,537
Foreign currency reserves		(1,472,891)	(1,500,759)
Options reserve		683,121	683,029
Accumulated losses	7	(8,694,682)	(7,758,738)
TOTAL EQUITY		3,082,333	1,073,069

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Note	CONSOLIDATED	
		31 Dec 13 \$	31 Dec 12 \$
Revenues	2	903,474	1,569,066
Expenses			
Advertising and marketing expenses		(25,091)	(125,653)
Employee benefits expense	3(b)	(821,899)	(716,258)
Contractor benefits expenses		(43,880)	(509,249)
Partner revenue share		(184,856)	(363,825)
Depreciation and amortisation expenses	3(a)	(31,849)	(469,828)
Other expenses	3(d)	(569,965)	(728,417)
Impairment of goodwill / intangibles	3(e)	-	(5,792,045)
Employee share based payment	3(c)	(160,384)	-
Restructuring costs		(29,758)	(326,805)
Impairment of fixed assets		(54,791)	-
Loss from group operations before tax		(1,018,999)	(7,463,014)
Income tax (expense)/benefit		83,055	(415,890)
Loss attributable to members of Jumbuck Entertainment Ltd		(935,944)	(7,878,904)
Other comprehensive gain			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences		27,868	115,770
Other comprehensive gain for the period		27,868	115,770
TOTAL COMPREHENSIVE LOSSES FOR THE PERIOD		(908,076)	(7,763,134)
Total comprehensive losses attributable to members of the parent entity		(908,076)	(7,763,134)
Earnings per share (cents per share)			
		Cents	Cents
Basic Earnings Per Share		(1.36)	(16.15)
Diluted Earnings Per Share		(1.36)	(16.15)

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	CONSOLIDATED				TOTAL \$
	CONTRIBUTED EQUITY \$	FOREIGN CURRENCY RESERVE \$	OPTIONS RESERVE \$	RETAINED EARNINGS/ ACCUMULATED LOSSES \$	
Balance at 1 July 2012	<u>9,649,537</u>	<u>(1,637,244)</u>	<u>682,606</u>	<u>1,378,601</u>	<u>10,073,500</u>
Loss attributable for the period	-	-	-	(9,137,339)	(9,137,339)
Other comprehensive income	-	136,485	-	-	136,485
Total comprehensive income/(loss) for the period	-	136,485	-	(9,137,339)	(9,000,854)
Transactions with owners in their capacity as owners:					
Recognition of share based payments	-	-	423	-	423
Balance at 30 June 2013	<u>9,649,537</u>	<u>(1,500,759)</u>	<u>683,029</u>	<u>(7,758,738)</u>	<u>1,073,069</u>
Balance at 1 July 2013	<u>9,649,537</u>	<u>(1,500,759)</u>	<u>683,029</u>	<u>(7,758,738)</u>	<u>1,073,069</u>
Loss attributable for the period	-	-	-	(935,944)	(935,944)
Other comprehensive income	-	27,868	-	-	27,868
Total comprehensive income/(loss) for the period	-	27,868	-	(935,944)	(908,076)
Transactions with owners in their capacity as owners:					
Recognition of share based payments	160,384	-	92	-	160,476
Issue of ordinary full paid shares	2,756,864	-	-	-	2,756,864
Balance at 31 December 2013	<u>12,566,785</u>	<u>(1,472,891)</u>	<u>683,121</u>	<u>(8,694,682)</u>	<u>3,082,333</u>

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Note	CONSOLIDATED	
		31 Dec 13 \$	31 Dec 12 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts of service revenue		1,231,416	1,924,334
Payments to suppliers, employees and contractors		(2,036,939)	(3,040,103)
Interest received		8,295	59,259
Income tax refunds received		425,658	(6,375)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	11	<u>(371,570)</u>	<u>(1,062,885)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of plant and equipment		(6,850)	(2,174)
Capitalised development expenses		-	(443,266)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<u>(6,850)</u>	<u>(445,440)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary share	6	2,586,864	-
NET CASH FLOWS GENERATED BY FINANCING ACTIVITIES		<u>2,586,864</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		2,208,444	(1,508,325)
Cash at beginning of financial period		1,199,044	3,621,595
CASH AT END OF FINANCIAL PERIOD		<u>3,407,488</u>	<u>2,113,270</u>

The accompanying notes form part of these financial statements.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION FOR THE HALF YEAR ENDED 31 DECEMBER 2013

CORPORATE INFORMATION

The financial information in this report for Jumbuck Entertainment Ltd and its subsidiaries (the 'Group') for the half year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 21 February 2014.

Jumbuck Entertainment Ltd is a company limited by shares and incorporated in Australia whose shares are publicly listed on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described within this note and the Segment Reporting Note 8.

The financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity.

Note 1 BASIS OF PREPARATION

This general purpose condensed financial report for the half year ended 31 December 2013 has been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

This half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

(a) Basis of Accounting

The half year consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations listed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards. The Group has not elected to adopt any new standards or amendments early.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half year. New and revised Standards and amendments thereof and Interpretations effective for the current period that are relevant to the Group include:

- AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 127 'Separate Financial Statements' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'
- AASB 2012-5 'Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle'
- AASB 2012-10 'Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments'

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods.

(b) Operating Segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's Chief Operating Decision Makers to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the Chief Operating Decision Makers, being the executive management team.

The Group's reportable segments under AASB 8 are therefore as follows:

- Consumer Chat Communities
- Primary Opinion
- Other

The Consumer Chat Communities segment includes Mobile Chat, Fast Flirting and SMS products relating to mobile chat and dating services.

The Primary Opinion segment includes Jumbuck's new global information and networking community for business professional advisers in the Financial Services, Tax & Accounting, Legal, HR and Regulatory & Compliance sectors.

Included in 'Other' are location; context based; professional services revenues and social media moderation.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Note 1 BASIS OF PREPARATION (Continued)

(c) Statement of Compliance

The half year financial information in this report has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards (AASBs) (including Australian Interpretation), the Corporations Act 2001 and Appendix 4D of the Australian Securities Exchange listing rules.

It is recommended that this half yearly financial report of Jumbuck Entertainment Ltd for the half year ended 31 December 2013 be considered together with any public announcements made by Jumbuck Entertainment Ltd and its controlled entities during the half year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Note 2	REVENUE	Note	CONSOLIDATED	
			31 Dec 13	31 Dec 12
			\$	\$
	Loss before income tax expense includes the following revenues and expenses whose disclosure is relevant in explaining the performance of the Group:			
	Consumer Chat Communities revenue		798,149	1,522,620
	Other revenue		97,000	1,434
	Interest revenue		8,325	45,012
	Total consolidated revenue		903,474	1,569,066
Note 3	EXPENSES			
	(a) Depreciation and amortisation of non current assets			
	Depreciation of non-current assets		31,849	64,843
	Amortisation of intangible assets		-	404,985
			31,849	469,828
	(b) Employee benefits expense			
	Employee options		92	274
	Defined contribution plans		61,170	59,420
	Other employee benefits		760,637	656,564
			821,899	716,258
	(c) Employee share based payment	6(a)	160,384	-
	(d) Other expenses			
	Accounting and audit		92,061	78,254
	Bad and doubtful debts		11,295	59,703
	Commissions		-	51,578
	Communication expenses		67,067	90,942
	External consultants		87,571	68,544
	Insurance		33,386	48,394
	Legal		18,990	26,655
	Premises		67,937	109,010
	Travel and accommodation		58,628	53,764
	Other expenses		111,620	128,036
			548,555	714,880
	Net loss on foreign currencies		21,410	13,537
			569,965	728,417
	(e) Impairment of goodwill / intangibles			
	Goodwill impairment - Consumer Chat Communities		-	4,359,954
	Capitalised development costs written off		-	1,432,091
			-	5,792,045

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Note 4	TRADE AND OTHER RECEIVABLES (CURRENT)	CONSOLIDATED	
		31 Dec 13	30 Jun 13
		\$	\$
	Trade debtors	397,691	563,726
	Allowance for impairment loss	(147,644)	(127,181)
		<u>250,047</u>	<u>436,545</u>
	Other debtors	249,970	24,631
	Accrued income	55,197	188,302
	Total Trade and Other Receivables (Current)	<u>555,214</u>	<u>649,478</u>

Note 5	TRADE AND OTHER PAYABLES (CURRENT)		
	Unsecured liabilities		
	Trade payables	422,010	396,439
	Other payables	395,641	637,759
		<u>817,651</u>	<u>1,034,198</u>

Note 6	CONTRIBUTED EQUITY		
	(a) Ordinary shares		
	Issued and fully paid	<u>12,566,785</u>	<u>9,649,537</u>

	31 Dec 13		30 Jun 13	
	No. of Shares	\$	No. of Shares	\$
Beginning of the financial period	48,784,291	9,649,537	48,784,291	9,649,537
Issue of ordinary full paid shares	250,000,002	3,000,000	-	-
Capital raising costs	-	(243,136)	-	-
Employee share based payment	15,723,897	160,384	-	-
End of the financial period	<u>314,508,190</u>	<u>12,566,785</u>	<u>48,784,291</u>	<u>9,649,537</u>

Share issue

To support the implementation of the Primary Opinion initiative, the Company sought to raise \$3.0 million through the issue of 250,000,000 ordinary shares at an issue price of \$0.012, with the raised funds to be principally used to fund the establishment of Primary Opinion.

At the Annual General Meeting of the Company on 11 December 2013, the Shareholders approved the issue of 15,723,897 shares (valued at \$160,384) to Mr Martin Burke in connection with the sign-on and other incentive arrangements agreed between the Company and Mr Burke.

At 31 December 2013, the Company had received net proceeds of \$2,745,000 from subscribers, with the balance of \$255,000 received during January 2014. Capital raising costs of \$85,000 were paid after balance date.

On 20 January 2014, the Company announced that it had completed the consolidation of its ordinary share capital on a one for five basis (the Consolidation). The Consolidation was approved by shareholders at the Annual General Meeting of the Company held on 11 December 2013.

As a result of the Consolidation, the total number of ordinary shares on issue has been reduced from 314,508,190 to 62,901,823.

	31 Dec 13	30 Jun 13
	Number	Number
(b) Share options		
Number of options at the beginning of the financial period	200,000	506,666
Options issued during the period	18,870,491	-
Options lapsed during the period	-	(306,666)
Number of options at the end of the financial period	<u>19,070,491</u>	<u>200,000</u>

On 4 October 2013, the Company announced that Mr Martin Burke would lead Jumbuck through the implementation of Primary Opinion. Mr Burke's appointment was subject to shareholder approvals in connection with the sign-on and incentive arrangements agreed between the Company and Mr Burke. Following the required shareholder approvals 18,870,491 Options were issued to Mr Burke on 13 December 2013.

The options to acquire shares in the Company on issue at 31 December 2013 have also been adjusted to reflect the completion of the consolidation on 20 January 2014, with the result being a decrease in the number of options on issue (and a corresponding decrease in the number of shares to which the options may convert) and an amendment to the terms of those options to increase the exercise price of each.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013

Note 7	RETAINED EARNINGS/ACCUMULATED LOSSES	CONSOLIDATED	
		31 Dec 13 \$	30 Jun 13 \$
	Retained earnings/(accumulated losses) at the beginning of the financial period	(7,758,738)	1,378,601
	Net loss attributable to members of the company	(935,944)	(9,137,339)
	Accumulated losses at the end of the financial period	(8,694,682)	(7,758,738)

Note 8 SEGMENT REPORTING

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

Information reported to the Chief Operating Decision Makers for the purposes of resource allocation and assessment of performance is more specifically focused on each group of products. The reportable segments under AASB 8 are therefore as follows:

- Consumer Chat Communities
- Primary Opinion
- Other

The Consumer Chat Communities segment includes Mobile Chat, Fast Flirting and SMS products relating to mobile chat and dating services.

The Primary Opinion segment includes Jumbuck's new global information and networking community for business professional advisers in the Financial Services, Tax & Accounting, Legal, HR and Regulatory & Compliance sectors.

Included in 'Other' are location; context based; professional services revenues and social media moderation.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the consolidated accounting policies.

The following is an analysis of the consolidated entity's revenue and results by reportable operating segment for the periods under review:

	Note	Revenue		Segment Profit/(Loss)	
		31 Dec 13 \$	31 Dec 12 \$	31 Dec 13 \$	31 Dec 12 \$
Consumer Chat Communities revenue	2	798,149	1,522,620	(349,110)	(50,246)
Primary Opinion		-	-	(29,097)	-
Other revenue	2	97,000	1,434	(73,951)	(899,656)
		<u>895,149</u>	<u>1,524,054</u>	<u>(452,158)</u>	<u>(949,902)</u>
Central administration and directors' salaries				(359,962)	(438,806)
Employee share based payment				(160,384)	-
Goodwill impairment - Consumer Chat	3(e)			-	(4,359,954)
Capitalised development costs written off	3(e)			-	(1,432,091)
Restructuring cost				-	(326,805)
Impairment of fixed assets				(54,791)	-
Finance cost				(29)	(468)
Interest revenue	2			8,325	45,012
Loss before income tax expenses				<u>(1,018,999)</u>	<u>(7,463,014)</u>
Income tax (expense)/benefit				83,055	(415,890)
Loss for the period				<u>(935,944)</u>	<u>(7,878,904)</u>
				31 Dec 13	30 Jun 13
				\$	\$
Segment assets					
Consumer Chat Communities				1,078,405	1,919,062
Primary Opinion				174,805	-
Other				-	58,011
Total segment assets				<u>1,253,210</u>	<u>1,977,073</u>
Unallocated assets				<u>2,804,467</u>	<u>350,000</u>
Total assets				<u>4,057,677</u>	<u>2,327,073</u>

The revenue reported above represents revenue generated from external customers. There were no intersegment sales during the period. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries, investment revenue, finance costs and income tax expense. This is the measure reported to the Chief Operating Decision Makers for the purposes of resource allocation and assessment of segment performance.

JUMBUCK ENTERTAINMENT LTD

NOTES TO THE FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**Note 9 EVENTS AFTER THE BALANCE SHEET DATE**

On 11 December 2013, the Company announced plans to implement a share purchase plan to allow all shareholders the opportunity to participate in the Primary Opinion initiative through the acquisition of further shares in the Company.

The revised Closing Date for eligible shareholders to participate in the Share Purchase Plan ("SPP") was extended to Friday 21 February 2014, with the results of the Offer to be announced on Friday 28 February 2014.

Except for the above, there has not been any other matter or circumstance in the interval between the end of the half year and the date of this report that has materially affected or may materially affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial periods.

Note 10 DIVIDENDS PAID AND PROPOSED

No dividends have been paid or declared since the start of the financial year ended 2013 (2012: Nil) and the Company does not propose to pay a dividend for this reporting period.

	Note	CONSOLIDATED	
		31 Dec 13 \$	31 Dec 12 \$
Note 11 RECONCILIATION OF CASH			
Reconciliation of Cash Flow from Operations to Loss before Income Tax			
Loss before income tax		(1,018,999)	(7,463,014)
Cash flows excluded from loss attributable to operating activities:			
Non-cash flows in loss from ordinary activities			
Depreciation and amortisation	3(a)	31,849	469,828
Employee share based payment	3(c)	160,384	-
Employee options	3(b)	92	274
Impairment of fixed assets		54,791	-
Goodwill impairment - Consumer Chat Communities	3(e)	-	4,359,954
Development costs written off	3(e)	-	1,432,091
Income tax refund/(paid)		425,658	(6,375)
Changes in assets and liabilities			
Decrease in trade and other debtors		264,265	306,707
Increase in prepayments		(46,460)	(8,461)
Decrease in trade creditors and accruals		(188,587)	(50,551)
Decrease in provisions		(54,563)	(103,338)
Cash flow used in operating activities		(371,570)	(1,062,885)