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**APPENDIX 4E
PRELIMINARY FINAL REPORT**



**ABN 57 010 597 672
30 JUNE 2019**

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This report covers the consolidated entity consisting of Stream Group Limited and its controlled entities.

The financial report is presented in Australian Dollars (unless otherwise stated).

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APPENDIX 4E
RESULTS FOR ANNOUNCEMENT TO THE MARKET

Report for the financial year ended 30 June 2019

Previous corresponding period is the financial year ended 30 June 2018

Revenue from ordinary activities
(Appendix 4E item 2.1) Down 19% to 1,012,903

Profit/(loss) from ordinary activities after tax attributable to members
(Appendix 4E item 2.2) Down 2652% to (3,520,102)

Net profit/(loss) for the period attributable to members
(Appendix 4E item 2.3) Down 2652% to (3,520,102)

Dividends <i>(Appendix 4E item 2.4)</i>	<u>Amount per security</u>	<u>Franked amount per security</u>
Final dividend	Nil	Nil
Interim dividend	Nil	Nil

Record date for determining entitlements to the final dividend *(Appendix 4E item 2.5)*
 Not applicable.

NTA backing	30-Jun-19	30-Jun-18
Net tangible asset backing per ordinary share (cents)	1.46	1.73

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RESULTS FOR ANNOUNCEMENT TO THE MARKET (Continued)

Appendix 4E item 14

REVIEW OF OPERATIONS

For the year to 30 June 2019 Stream Group Ltd incurred a comprehensive loss of \$3.0 million. Included in the loss was a non-cash impairment charge of \$2.9 million and a foreign exchange gain of \$0.5 million. \$2.7 million of the impairment charge related to the write down of the carrying value of the Group's software.

In the previous financial year, the Group commenced development of a modified version of BuildAssist, the Company's core product. The objective is to develop a BuildAssist version suitable for insurance brokers and other industry participants. This process involves creating a number of new modules and integrating them into the existing software. During the current financial year, it was decided to expand this project to include rewriting substantial portions of the software and upgrading to the most recent version of the language in which the software is written. Rather than outsource this process the Company resolved to hire additional staff and do the process internally. This project is scheduled to be completed by end of November, 2019. When complete BuildAssist v.2. will be much more user friendly and have a much wider addressable market.

During the year the Qusol business generated a small trading profit excluding \$393,000 of expenses associated with the rewrite of the software. Revenues were lower due to exceptionally benign weather conditions in New Zealand and direct expenses of the Qusol business were in line with last year. The cash balance at 30 June 2019 was \$2.7 million compared to \$3.1 million as at 30 June 2018.

Directors are conscious of the need to increase the scale of its business and are actively looking at possible acquisitions to achieve this aim.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Appendix 4E item 3

	30-Jun-19	30-Jun-18
	\$	\$
Revenue from continuing operations		
Sales revenue	1,012,903	1,255,633
Other revenue	233,513	191,103
Total revenue from continuing operations	1,246,416	1,446,736
Expenses		
Employee benefits expense	558,364	435,613
Depreciation and amortisation expenses	3,043	74,025
Finance costs	151	8,945
Impairment of Assets	2,912,243	-
Gain (loss) on derecognition of subsidiaries	-	(109,551)
IT Hosting	214,592	165,096
Accounting and Audit	101,907	112,023
External Contractors	417,041	277,659
Legal	90,806	125,228
Interest Paid	-	-
Other Expenses	516,638	483,116
Total expenses	4,814,785	1,491,314
Profit / (Loss) before related income tax expense	(3,568,369)	(44,578)
Income tax expense/(benefit)	(48,267)	83,324
Profit/(loss) for the year	(3,520,102)	(127,902)
Other comprehensive income that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	514,844	98,819
Total other comprehensive income for the year, net of tax	514,844	98,819
Total comprehensive income for the year	(3,005,258)	(29,083)
Profit/(loss) for the year attributable to:		
Members of Stream Group Limited	(3,520,102)	(127,902)
Non-controlling interests	-	-
	(3,520,102)	(127,902)
Total comprehensive income for the year attributable to:		
Members of Stream Group Limited	(3,005,258)	(29,083)
Non-controlling interests	-	-
	(3,005,258)	(29,083)
Earnings per share (EPS)	June	June
	2019	2018
	Cents per share	Cents per share
Basic EPS	(1.38)	(0.01)
Diluted EPS	(1.38)	(0.01)
	Number	Number
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	218,305,344	219,329,753

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Appendix 4E item 4

	30-Jun-19	30-Jun-18
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	2,666,038	3,102,185
Trade and other receivables	537,825	528,300
Other current assets	68,150	101,456
Total current assets	3,272,013	3,731,941
NON CURRENT ASSETS		
Property, plant & equipment	2,586	3,664
Deferred tax assets	243,643	181,038
Intangible assets	2,082,679	4,448,003
Other non-current assets	110,091	107,676
Total non-current assets	2,438,999	4,740,381
Total assets	5,711,012	8,472,322
CURRENT LIABILITIES		
Trade and other payables	407,550	183,146
Provisions	74,437	54,893
Total current liabilities	481,987	238,039
Total liabilities	481,987	238,039
Net Assets	5,229,025	8,234,283
EQUITY		
Issued capital	514,483	8,014,483
Reserves	(256,247)	(771,091)
Retained earnings	4,970,789	990,891
Total equity	5,229,025	8,234,283

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Appendix 4E item 6

	Issued Capital	Reserves	Retained Earnings	Total	Non- Controlling Interests	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	18,014,483	(312,408)	(9,116,788)	8,585,287	-	8,585,287
Profit/(loss) for the period	-	-	(127,902)	(127,902)	-	(127,902)
Other comprehensive income/(loss) for the period	-	-	98,819	98,819	-	98,819
Total comprehensive income/(loss) for the period	-	-	(29,083)	(29,083)	-	(29,083)
Transactions with owners in their capacity as owners:						
Reduction in share capital	(10,000,000)	-	10,000,000	-	-	-
Foreign currency translation reserve	-	(321,921)	-	(321,921)	-	(321,921)
Share based payment reserve	-	(136,762)	136,762	-	-	-
Dividends provided for or paid	-	-	-	-	-	-
Balance at 30 June 2018	8,014,483	(771,091)	990,891	8,234,283	-	8,234,283
Balance at 1 July 2018	8,014,483	(771,091)	990,891	8,234,283	-	8,234,283
Profit/(loss) for the period	-	-	(3,520,102)	(3,520,102)	-	(3,520,102)
Other comprehensive income/(loss) for the period	-	514,844	-	514,844	-	514,844
Total comprehensive income/(loss) for the period	-	514,844	(3,520,102)	(3,005,258)	-	(3,005,258)
Transactions with owners in their capacity as owners:						
Reduction in share capital	(7,500,000)	-	7,500,000	-	-	-
Foreign currency translation reserve	-	-	-	-	-	-
Revaluation Reserve	-	-	-	-	-	-
Share based payment reserve	-	-	-	-	-	-
Dividends provided for or paid	-	-	-	-	-	-
Balance at 30 June 2019	514,483	(256,247)	4,970,789	5,229,025	-	5,229,025

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Appendix 4E item 5

	30-Jun-19	30-Jun-18
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	962,571	2,259,037
Interest received / (Paid)	62,807	68,855
Payments to Suppliers and Employees	(1,682,703)	(1,954,640)
Income taxes refunded / (paid)	-	-
Net operating cash flows	(657,325)	373,252
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	-
Payments for property, plant and equipment	(1,965)	(5,609)
Loans repaid to related parties	-	-
Loans received from related parties	-	-
Net investing cash flows	(1,965)	(5,609)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Proceeds from share issue	-	-
Net financing cash flows	-	-
Net increase/(decrease) in cash held		
Net increase/(decrease) in cash held	(659,290)	367,643
Cash at the beginning of the period	3,102,185	2,803,008
Effects of exchange rates on balance of cash held	223,143	(68,466)
Cash at the end of the financial period	2,666,038	3,102,185

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE FINANCIAL STATEMENTS

1. CONTROLLED ENTITIES ACQUIRED OR DISPOSED OF

Appendix 4E item 10

Nil

2. DIVIDENDS

Appendix 4E item 7

No dividend was proposed or paid during the year ended 30 June 2019.

3. EVENTS AFTER THE END OF THE REPORTING PERIOD

There have been no significant events after the reporting period.

4. BASIS OF PREPARATION

The financial information provided in the Appendix 4E is based on the draft Annual Financial report, which has been prepared in accordance with Australian Accounting Standards

5. AUDIT OF THE FINANCIAL REPORT

The financial report is in the process of being audited.

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