

**APPENDIX 4E
PRELIMINARY FINAL REPORT**



**ABN 57 010 597 672
30 JUNE 2018**

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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).

APPENDIX 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Report for the financial year ended 30 June 2018

Previous corresponding period is the financial year ended 30 June 2017

Revenue from ordinary activities (Appendix 4E item 2.1)	Up	102%	to	1,255,633
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Profit/(loss) from ordinary activities after tax attributable to members (Appendix 4E item 2.2)	Down	103%	to	(127,902)
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Net profit/(loss) for the period attributable to members (Appendix 4E item 2.3)	Down	103%	to	(127,902)
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Dividends (Appendix 4E item 2.4)	<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-18	30-Jun-17
	\$	\$
Net tangible asset backing per ordinary share (cents)	1.73	1.90

RESULTS FOR ANNOUNCEMENT TO THE MARKET (Continued)

Appendix 4E item 14

REVIEW OF OPERATIONS

For the year ended 30 June 2018 Stream Group Ltd incurred a net loss after tax of \$128,000.

Included in the loss were legacy costs associated with the claims management business that was sold in 2017 of \$144,000 and a non-cash write down of deferred tax assets of \$83,000.

The Qusol software business traded in line with expectations during the year, and our top priority for 2019 is to grow the Qusol business either by internal growth or acquisition. The Company is currently investigating a number of acquisitions that would achieve our goal of increased scale.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Appendix 4E item 3

	30-Jun-18	30-Jun-17
	\$	\$
Revenue from continuing operations		
Sales revenue	1,255,633	622,495
Other revenue	191,103	6,171
Total revenue from continuing operations	1,446,736	628,666
Expenses		
Employee benefits expense	435,613	487,229
Depreciation and amortisation expenses	1,945	74,025
Finance costs	185	8,945
Impairment of Assets	-	254,109
Gain (loss) on derecognition of subsidiaries	(109,551)	-
IT Hosting	165,096	3,282
Accounting and Audit	112,023	138,345
External Contractors	277,659	43,650
Legal	125,228	38,471
Interest Paid	-	159,212
Other Expenses	483,116	166,134
Total expenses	1,491,314	1,373,402
Profit / (Loss) before related income tax expense	(44,578)	(744,736)
Income tax expense/(benefit)	83,324	-
Profit/(loss) for the year	(127,902)	(744,736)
Discontinued Operations		
Profit/(Loss) from discontinued operations, after tax	-	4,398,759
Net Profit/(Loss) for the year	-	3,654,023
Other comprehensive income that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	98,819	3,053
Total other comprehensive income for the year, net of tax	98,819	3,053
Total comprehensive income for the year	(29,083)	3,657,076
Profit/(loss) for the year attributable to:		
Members of Stream Group Limited	(127,902)	3,654,023
Non-controlling interests	-	-
	(127,902)	3,654,023
Total comprehensive income for the year attributable to:		
Members of Stream Group Limited	(29,083)	3,657,076
Non-controlling interests	-	-
	(29,083)	3,657,076
Earnings per share (EPS)	June 2018	June 2017
	Cents per share	Cents per share
Basic EPS	(0.01)	1.74
Diluted EPS	(0.01)	1.74
	Number	Number
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	219,329,753	210,440,873

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-18	30-Jun-17
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,102,185	2,803,008
Trade and other receivables	528,300	1,409,456
Other current assets	101,456	114,837
Total current assets	3,731,941	4,327,301
NON CURRENT ASSETS		
Property, plant & equipment	3,664	-
Deferred tax assets	181,038	272,724
Intangible assets	4,448,003	4,592,633
Other non-current assets	107,676	-
Total non-current assets	4,740,381	4,865,357
Total assets	8,472,322	9,192,658
CURRENT LIABILITIES		
Trade and other payables	183,146	554,582
Provisions	54,893	52,789
Total current liabilities	238,039	607,371
Total liabilities	238,039	607,371
Net Assets	8,234,283	8,585,287
EQUITY		
Issued capital	8,014,483	18,014,483
Reserves	(771,091)	(312,408)
Retained earnings	990,891	(9,116,788)
Total equity	8,234,283	8,585,287

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 \$	Accumulated Losses \$	Total \$	Non- Controlling Interests \$	Total Equity \$
Balance at 1 July 2016	17,658,928	(275,287)	(12,773,864)	4,609,777	-	4,609,777
Profit/(loss) for the period	-	-	3,654,023	3,654,023	-	3,654,023
Other comprehensive income for the period	-	-	3,053	3,053	-	3,053
Total comprehensive income for the period	-	-	3,657,076	3,657,076	-	3,657,076
Transactions with owners in their capacity as owners:						
Shares issued during the period	355,555	-	-	355,555	-	355,555
Derecognition of subsidiaries	-	-	-	-	-	-
Foreign currency translation reserve	-	(37,278)	-	(37,121)	-	(37,278)
Share based payment reserve	-	-	-	-	-	-
Dividends provided for or paid	-	-	-	-	-	-
Balance at 30 June 2017	18,014,483	(312,408)	(9,116,788)	8,585,287	-	8,585,287
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

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-18	30-Jun-17
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,259,037	13,526,008
Interest received / (Paid)	68,855	(336,332)
Payments to Suppliers and Employees	(1,954,640)	(16,836,718)
Income taxes refunded / (paid)	-	221,162
Net operating cash flows	373,252	(3,425,880)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	7,122,163
Payments for property, plant and equipment	(5,609)	-
Loans repaid to related parties	-	(2,258,527)
Loans received from related parties	-	556,295
Net investing cash flows	(5,609)	5,419,931
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Proceeds from share issue	-	355,555
Net financing cash flows	-	355,555
Net increase/(decrease) in cash held		
Net increase/(decrease) in cash held	367,643	2,349,606
Cash at the beginning of the period	2,803,008	453,402
Effects of exchange rates on balance of cash held	(68,466)	(3,552)
Cash at the end of the financial period	3,102,185	2,803,008

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

NOTES TO THE FINANCIAL STATEMENTS

1. CONTROLLED ENTITIES ACQUIRED OR DISPOSED OF

Appendix 4E item 10

Qusol Pty Ltd was deregistered during the year.

2. DIVIDENDS

Appendix 4E item 7

No dividend was proposed or paid during the year ended 30 June 2018.

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.