STREAM GROUP LIMITED
AND CONTROLLED ENTITIES

ABN: 57 010 597 672

Annual Report
For the year ended 30 June 2020

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CONTENTS **Page**

Chairman's Letter	3
Operating and Financial Review	4
Directors' Report	6
Remuneration Report	7
Auditor's Independence Declaration	11
Consolidated Statement of Profit or Loss and Other Comprehensive Income	12
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Financial Statements	16
Directors' Declaration	35
Additional Information for Listed Public Companies	36
Independent Auditor's Report	37

The Company’s Corporate Governance Statement can be viewed on the website at:
https://www.streamgroupltd.com.au

Dear Shareholder,

On behalf of the Board I submit the 2020 Annual Report for Stream Group Limited. As the Consolidated Statement of Comprehensive Income shows, the Group incurred a loss of $1.2 million for the year compared to a loss of $3.0 million in 2019. Included in the loss were two significant items. A cash earn-out payment of $1.5 million, net of fee rebates, relating to the sale of the claims management business in 2017 was received and a non-cash impairment charge of $1.8 million relating to the write down of the Group's software was incurred. The two items are inter-related in that to achieve the earn-out we needed to provide fee rebates and the fee rebates triggered the impairment charge. The net effect of the transaction was to convert $1.8 million of intangibles (software) into $1.5 million in cash.

Over the past three years we as a Board have investigated a number of possible acquisitions designed to restore Stream to profitability. Our objective has been to find a profitable, stable business of sufficient size to justify the costs of being a listed company and that could be bought at a reasonable price. Because of Stream's limited resources, it was also inevitable that any acquisition would be equity funded. As previously advised to the market, in June of this year Stream agreed to acquire 100% of the issued capital of Mayfield Group Investments Pty Ltd ("Mayfield") for $25 million with the purchase being funded by the issue of new shares in Stream. Founded in 1936 Mayfield is a profitable specialist engineering group of companies supplying electrical products and services for critical infrastructure and facilities throughout Australia. The purchase price represents a multiple of 6 times Mayfield's 2020 pre-tax profits, and the shares being issued in consideration are being issued at a 48% premium to Steam's asset backing as at 30 June 2020. The transaction is subject to shareholder approval, and it is expected that a shareholders meeting will be held in October 2020 to consider the transaction. More information about Mayfield can be found on their website: www.mayfieldindustries.com.au.

Finally I would like to thank our staff for their support and contribution over what has been a difficult three year period. If the Mayfield transaction proceeds, the Qusol software business will no longer be a core activity, but it is clearly the case that the Qusol business has kept Stream alive during this period.

L Case

Lawrence Case (Chairman)

Dated: 30 September 2020

Principal Activities

The principal activities of the consolidated group during the financial year were the development and deployment of insurance claims management and workflow management software to the insurance and construction industries. We supply our proprietary software on a Software-as-a-Service basis to clients in Australia, New Zealand and the UK.

Significant Changes to Activities

There were no significant changes in the nature of the consolidated group's principal activities during the financial year.

Operating Results

For the year to 30 June 2020 Stream Group Ltd ("Stream") incurred a loss of $1.2 million compared to a loss of $3.0 million in the previous financial year. During the year Stream agreed to amendments to the terms of its 2017 agreements with the purchaser of its claims management business. The variations resulted in Stream received an earn-out payment of $1.5 million, net of fee rebates, in consideration for which Stream has agreed to lower the fees it charges the purchaser for the use of Stream's claims management software. The lower fee schedule in turn has resulted in a non-cash impairment charge of $1.8 million to the value of the Group's software.

During the year Stream continued the process of upgrading and modernising BuildAssist, the Group's core software product. The objective has been to develop a more user-friendly, robust and versatile version of BuildAssist that is suitable for insurance brokers and other industry participants. As in previous years the costs of this project have been expensed as incurred.

Dividends and Financial Position

In June 2020 Stream paid a special fully-franked dividend of 2 cents per share. The Company's dividend reinvestment plan ("DRP") was made available to shareholders with 75.77% of shareholders by value taking up shares via the DRP. The total dividend was $4.32 million with $3.27 million being satisfied by the issue of new shares and $1.05 million by was of a cash dividend.

The net assets of the Group decreased from $5.2 million to $3.0 million primarily as the result of the $1.8 million impairment charge and the $1.0 cash dividend mentioned above. However, because of the additional cash earn-out the cash balance at 30 June 2020 was $2.8 million compared to $2.7 million as at 30 June 2019.

Significant Changes in State of Affairs and Changes in Controlled Entities

There were no significant changes in the state of affairs of the Group during the financial year.

Future Developments

In June 2020 Stream entered into an agreement to acquire 100% of the issued capital of Mayfield Group Investments Pty Ltd ("Mayfield"). The acquisition price is $25 million to be satisfied by the issue of new ordinary shares in Stream. The transaction is subject to shareholder approval which will be sought at a General Meeting of shareholders which is expected to be held in October 2020. Mayfield is a profitable specialist engineering group of companies supplying electrical products and services for critical infrastructure and facilities throughout Australia. If the transaction is approved by shareholders, it will be transformative for Stream. The notice convening the shareholders meeting will include an Explanatory Memorandum and Independent Expert's Report on the transaction.

Events after the Reporting Period

Other than as described above, no matter or circumstances have arisen since the end of the financial year to the date of this report that have significantly affected or may significantly affect the activities of the Consolidated Group, the results of those activities or the state of affairs of the Consolidated Group in the ensuing or any subsequent financial year.

Business Risks

As at the date of this report the Group's most significant business risk is the dependence of its technology business on its largest customer. This risk is mitigated by the fact that this customer is a former subsidiary which relies heavily on Stream's claims management software which is mission critical to their operations.

Environmental Issues

Stream Group Limited's operations are not subject to significant environmental regulation under the law of any jurisdiction.

Covid-19

Covid-19 has not affected our ability to provide our services since our staff can in the main work from home. It has, however, had an indirect impact in that the software business has experienced reduced demand from its clients.

Directors

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of Stream Group Limited and its controlled entities for the financial year ended 30 June 2020. The information in the preceding Operating and Financial Review forms part of this Directors Report for the financial year ended 30 June 2020 and is to be read in conjunction with the following information:

The following persons were directors of Stream Group Limited during or since the end of the financial year up to the date of this report:

Lawrence Case
Christian Bernecker
Daniel Barrins

Particulars of each Director's experience and qualifications are set out later in this report.

Indemnifying Officers or Auditor

Pursuant to its Constitution, the Company indemnifies the Directors and all officers of the Company against a liability to a person (other than the Company or a related body corporate), that may arise from their position as Directors or officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. During the financial year, Stream Group Limited paid premiums to insure officers of Stream Group Limited and their controlled entities. The indemnity includes liability for costs and expenses incurred in defending civil or criminal proceedings in which judgement is given in favour of that person or in which that person is acquitted, or in connection with an application in relation to this proceeding in which the court grants relief to that person under the law.

Proceedings on Behalf of Company

No person has applied for leave of the Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor’s independence for the following reasons:

- All non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to PKF for non-audit services provided during the year ended 30 June 2020:

	$
Taxation Services	3,850

Auditor’s Independence Declaration

The lead auditor’s independence declaration for the year ended 30 June 2020 has been received and can be found on page 11 of the Financial Report.

Options

At the date of this report, there were no share options on issue.

Information relating to current Directors and Company Secretary

Lawrence Case	**Chairman**
Qualifications	Master of Business Administration (University of Pennsylvania) and Bachelor of Science (University of Illinois)
Experience	40 years experience in the management of small listed and unlisted companies
Interest in Shares and Options	48,630,978 shares held in Stream Group Limited
Special Responsibilities	Audit and Risk Management Committee, Nomination and Remuneration Committee
Directorships held in other listed entities during the three years prior to the current year	Flat Glass Industries Ltd

Christian Bernecker	**Non-Executive Director**
Qualifications	Chartered Accountant, Bachelor of Commerce (Ballarat University)
Experience	More than 15 years broad investment experience across capital raising, acquisitions and divestments
Interest in Shares and Options	21,221,721 shares held in Stream Group Limited
Special Responsibilities	Audit and Risk Management Committee, Nomination and Remuneration Committee.
Directorships held in other listed entities during the three years prior to the current year	Uscom Limited

Daniel Barrins	**Non-Executive Director (appointed 14 September 2017)**
Qualifications	Masters of Business Administration (University of Melbourne), Bachelor of Law (Monash University) and Bachelor of Arts (Monash University)
Experience	More than 10 years' experience across the Financial Services, Legal and Consulting industries
Interest in Shares and Options	Nil
Special Responsibilities	Audit and Risk Management Committee, Nomination and Remuneration Committee
Directorships held in other listed entities during the three years prior to the current year	Nil

Company Secretary

The Company Secretary is Brett Crowley.

Meetings of Directors

During the financial year, 8 meetings of directors (including committees of directors) were held.

Attendances by each director during the year were as follows:

Meetings of Directors	Directors' Meetings		Audit and Risk Committee		Nomination and Remuneration Committee	
	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended	Number Eligible to attend	Number Attended
Lawrence Case	8	8	1	1	1	1
Christian Bernecker	8	8	1	1	1	1
Daniel Barrins	8	8	0	0	0	0

Remuneration Report (Audited)

This remuneration report has been prepared by the Directors of Stream Group Limited to comply with the Corporations Act 2001 and the key management personnel (KMP) disclosures required under Australian Accounting Standards AASB 124 - Related Party Disclosures.

Key management personnel

The following were key management personnel of the Group at the end of the financial year:

Non-executive Chairman

Lawrence Case

Non-executive Directors

Christian Bernecker

Daniel Barrins

Remuneration policy

The remuneration policy of Stream Group Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The Board of Stream Group Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the high-quality KMP to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is as follows:

- The remuneration policy is to be developed by the remuneration committee and approved by the Board after professional advice is sought from independent external consultants.
- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the directors and company with those of the shareholders.
- In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Board reviews KMP packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed at least annually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any change must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which is currently 9.5% of the individual's average weekly ordinary time earnings (AWOTE). Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation. KMP do not receive any retirement benefits.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

KMP are also entitled and encouraged to participate in the employee share loan plan to align directors' interests with shareholders' interests.

Performance-based Remuneration

The KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the consolidated group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

Group KMP	**Position Held as at 30 June 2020 and any change during the year**	**Contract details (duration & termination)**
Lawrence Case	Non-executive Director	Duration: Indefinite
Christian Bernecker	Non-executive Director	Duration: Indefinite
Daniel Barrins	Non-executive Director	Duration: Indefinite
Lindsay Phillips	Director of Qusol NZ Limited	Duration: Indefinite

	Proportions of elements of Remuneration related to performance			**Proportions of elements of remuneration not related to performance**	
	Non-salary cash based incentives %	**Shares/ Units %**	**Options/ Rights %**	**Fixed Salary/Fees %**	**Total %**
Group KMP					
Lawrence Case	-	-	-	100	100
Christian Bernecker	-	-	-	100	100
Daniel Barrins	-	-	-	100	100
Lindsay Phillips	-	-	-	100	100
Total	-	-	-	100	100

The employment terms and conditions of all KMP are formalised in contracts of employment.

Note A:
Non-executive directors are subject to similar contractual arrangements whereby at least 3 months' notice is required to be given on termination. Termination payments are at the discretion of the Board.

Changes in Directors and Executives Subsequent to year-end

There were no changes to directors subsequent to year-end.

Remuneration Expense Details for the Year Ended 30 June 2020

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards:

Table of Benefits and Payments for the year ended 30 June 2020

	Short-Term Benefits				Post-Employment Benefits	
	Salary, Fees and Leave $	Profit Share and bonuses $	Termination Payment $	Other $	Pension and superannuation $	Other $
2020 Group KMP						
Lawrence Case	50,000	-	-	-	-	-
Christian Bernecker	25,000	-	-	-	-	-
Daniel Barrins	25,000	-	-	-	-	-
Lindsay Phillips	34,133	-	-	-	-	-
Total KMP	**134,133**	**-**	**-**	**-**	**-**	**-**

	Long-Term Benefits		Equity-settled share-based payments				
	Incentive Plans $	LSL $	Shares / Units $	Options/Rights $	Cash-Settled Share Based Payments $	Termination Benefits $	**Total $**
2020 Group KMP							
Lawrence Case	-	-	-	-	-	-	50,000
Christian Bernecker	-	-	-	-	-	-	25,000
Daniel Barrins	-	-	-	-	-	-	25,000
Lindsay Phillips	-	-	-	-	-	-	34,133
Total KMP	-	-	-	-	-	-	**134,133**

Table of Benefits and Payments for the year ended 30 June 2019

	Short-Term Benefits				Post-Employment Benefits	
	Salary, Fees and Leave $	Profit Share and bonuses $	Termination Payment $	Other $	Pension and superannuation $	Other $
2019 Group KMP						
Lawrence Case	50,000	-	-	-	-	-
Christian Bernecker	25,000	-	-	-	-	-
Daniel Barrins	25,000	-	-	-	-	-
Lindsay Phillips	34,410	-	-	-	-	-
Total KMP	**134,410**	**-**	**-**	**-**	**-**	**-**

	Long-Term Benefits		Equity-settled share-based payments				
	Incentive Plans $	LSL $	Shares / Units $	Options/Rights $	Cash-Settled Share Based Payments $	Termination Benefits $	**Total $**
2019 Group KMP							
Lawrence Case	-	-	-	-	-	-	50,000
Christian Bernecker	-	-	-	-	-	-	25,000
Daniel Barrins	-	-	-	-	-	-	25,000
Lindsay Phillips	-	-	-	-	-	-	34,410
Total KMP	-	-	-	-	-	-	**134,410**

Table of Shares Held by Key Management Personnel

The table below summarises the shares held by KMP as at the date of this report.

	Opening Balances	Movements	(2020) Closing Balances
Lawrence Case	5,403,442	43,227,536	48,630,978
Christian Bernecker	5,675,820	15,545,901	21,221,721
Daniel Barrins	-	-	-
Lindsay Phillips	1,609,479	12,875,832	14,485,311
Total KMP	**12,688,741**	**71,649,269**	**84,338,010**

Securities Received that are not Performance Related

No members of KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

Share-based Payments

No shares were granted to KMP during the year.

Other Equity-related KMP Transactions

There were no equity related transactions with key management personnel during the year.

Other transactions with KMP and/or their related parties

There were no other transactions conducted between the Group and parties related to key management personnel during the financial year.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Director: ______________________

Lawrence Case

Dated: 30 September 2020

PKF

Stream Group Limited and Controlled Entities

ABN: 57 010 597 675

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

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SCOTT TOBUTT
PARTNER

DATE 30TH SEPTEMBER 2020
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

Liability limited by a scheme approved under Professional Standards Legislation

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STREAM GROUP LIMITED ABN: 57 010 597 672
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
Revenue	3	682,406	1,012,903
Other income	3	1,713,316	233,513
Employee benefits expense		(638,521)	(558,364)
Depreciation and amortisation expense	4	(1,647)	(3,043)
Finance costs	4	(10)	(151)
Impairment of assets/bad debts written off	4	(1,785,504)	(2,912,243)
Gain on derecognition of subsidiaries		-	-
Other expenses	4	(949,046)	(1,340,984)
Loss before income tax		(979,006)	(3,568,369)
Income tax benefit / (expense)	5	(182,446)	48,267
Net (Loss)/ Profit for the year from continuing operations		(1,161,452)	(3,520,102)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(53,379)	514,844
Other comprehensive income/(loss) for the year		(53,379)	514,844
Total comprehensive income/(loss) for the year		(1,214,831)	(3,005,258)
Net profit/(loss) attributable to:			
Members of the parent entity		(1,161,452)	(3,520,102)
Non-controlling interest		-	-
		(1,161,452)	(3,520,102)
Total comprehensive income/(loss) attributable to:			
Members of the parent entity		(1,214,831)	(3,005,258)
Non-controlling interest		-	-
		(1,214,831)	(3,005,258)
Earnings per share			
Basic earnings per share (cents)	8	(0.50)	(1.38)
Diluted earnings per share (cents)	8	(0.50)	(1.38)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 $	2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	2,770,681	2,666,038
Trade and other receivables	10	221,646	537,825
Other assets	14	84,389	68,150
TOTAL CURRENT ASSETS		3,076,716	3,272,013
NON-CURRENT ASSETS			
Property, plant and equipment	12	939	2,586
Deferred tax assets	16	58,370	243,643
Intangible assets	13	250,279	2,082,679
Other non-current assets		-	110,091
TOTAL NON-CURRENT ASSETS		309,588	2,438,999
TOTAL ASSETS		3,386,304	5,711,012
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	358,123	407,550
Provisions	17	60,816	74,437
TOTAL CURRENT LIABILITIES		418,939	481,987
TOTAL LIABILITIES		418,939	481,987
NET ASSETS		2,967,365	5,229,025
EQUITY			
Issued capital	18	3,787,582	514,483
Reserves	24	(309,626)	(256,247)
Retained Earnings / (Accumulated losses)		(510,591)	4,970,789
TOTAL EQUITY		2,967,365	5,229,025

The accompanying notes form part of these financial statements.

STREAM GROUP LIMITED ABN: 57 010 597 672
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital $	Reserves $	Retained Earnings $	Total $	Non-Controlling Interests $	Total Equity $
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:						
Write off Accumulated Losses	(7,500,000)	-	7,500,000	-	-	-
Balance at 30 June 2019	**514,483**	**(256,247)**	**4,970,789**	**5,229,025**	**-**	**5,229,025**
Balance at 1 July 2019	514,483	(256,247)	4,970,789	5,229,025	-	5,229,025
Profit/(loss) for the period	-	-	(1,161,452)	(1,161,452)	-	(1,161,452)
Other comprehensive income/(loss) for the period	-	(53,379)	-	(53,379)	-	(53,379)
Total comprehensive income/(loss) for the period	**-**	**(53,379)**	**(1,161,452)**	**(1,214,831)**	**-**	**(1,214,831)**
Transactions with owners in their capacity as owners:						
Shares issued during the year	3,273,099	-	-	3,273,099	-	3,273,099
Dividends provided for or paid	-	-	(4,319,928)	(4,319,928)	-	(4,319,928)
Balance at 30 June 2020	**3,787,582**	**(309,626)**	**(510,591)**	**2,967,365**	**-**	**2,967,365**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,167,742	962,571
Interest received		24,250	62,807
Payments to suppliers and employees		(1,717,696)	(1,682,703)
Income tax paid		-	-
Net cash provided by / (used in) operating activities	21	**(525,704)**	**(657,325)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of assets		1,630,000	-
Payments for property, plant and equipment		-	(1,965)
Net cash provided by / (used in) investing activities		**1,630,000**	**(1,965)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,046,829)	-
Net cash provided by financing activities		**(1,046,829)**	**-**
Net increase/(decrease) in cash held		57,467	(659,290)
Cash and cash equivalents at beginning of financial year		2,666,038	3,102,185
Effects of exchange rate on the balance of cash held in foreign currencies		47,176	223,143
Cash and cash equivalents at end of financial year	9	**2,770,681**	**2,666,038**

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Stream Group Limited and Controlled Entities (the "consolidated group" or "group"). The separate financial statements of the parent entity, Stream Group Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 30 September 2020 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation
These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New or amended Accounting Standards and Interpretations adopted
The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 16 Leases
The company has adopted AASB 16 from 1 July 2019. This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
AASB16 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening retained profits as at 1 July 2019.

(a) Principles of Consolidation
The consolidated financial statements incorporate all of the assets, liabilities and results of Stream Group Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as 'Non-controlling Interests'. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

(b) Income Tax
The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

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

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

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

Note 1 Summary of Significant Accounting Policies (Continued)

or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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

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

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

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight- line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	50%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale and measured at the lower of carrying amount and fair value less costs to sell, where the carrying amount will be recovered principally through sale as opposed to continued use. No depreciation or amortisation is charged against assets classified as held for sale.

Classification as "held for sale" occurs when: management has committed to a plan for immediate sale; the sale is expected to occur within one year from the date of classification; and active marketing of the asset has commenced. Such assets are classified as current assets.

A discontinued operation is a component of an entity, being a cash-generating unit (or a group of cash-generating units), that either has been disposed of, or is classified as held for sale, and; represents a separate major line of business or geographical area of operations; is part of a single coordinated plan to dispose

Note 1 Summary of Significant Accounting Policies (Continued)

of a separate major line of business or geographical area of operations; or is a subsidiary acquired exclusively with the view to resale.

Impairment losses are recognised for any initial or subsequent write-down of an asset (or disposal group) classified as held for sale to fair value less costs to sell. Any reversals of impairment recognised on classification as held for sale or prior to such classification are recognised as a gain in profit or loss in the period in which it occurs.

(e) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities
Financial instruments are subsequently measured at:
- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:
- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:
- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

A financial liability cannot be reclassified.

Financial assets
Financial assets are subsequently measured at:
- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:
- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Note 1 Summary of Significant Accounting Policies (Continued)

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Impairment
At the end of each reporting year the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition
Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets
At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment)*. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

(g) Other Intangible Assets

Recognition of internally developed software

Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Group intends to and has sufficient resources to complete the project
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits

Development costs not meeting these criteria for capitalisation are expensed as incurred. Costs that are directly attributable include employees' (other than Directors') costs incurred on software development, along with an appropriate portion of relevant overheads and borrowing costs.

Subsequent measurement
All intangible assets, including capitalised internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing.

Note 1 Summary of Significant Accounting Policies (Continued)

The following useful lives are applied:

- Computer software: 7 years
- Software IP: indefinite useful life

Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing.

Subsequent expenditures on the maintenance of computer software and brand names are expensed as incurred. When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognised in profit or loss within other income or other expenses.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

— assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
— income and expenses are translated at average exchange rates for the period; and
— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(i) Employee Benefits

Short-term employee benefits

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

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (a) the date when the Group can no longer withdraw the offer for termination benefits; and (b) when the Group recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or

Note 1 Summary of Significant Accounting Policies (Continued)

services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black–Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(j) Provisions, contingent liabilities and contingent assets

Provisions for product warranties, legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. 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. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(l) Revenue Recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised when an entity satisfies a performance obligation by transferring control of a promised good or service to a customer.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price,
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

The core principle of AASB 15 is that an entity shall recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred rather than on transfer of risks and rewards.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(m) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(n) Trade and Other Payables

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

Note 1 Summary of Significant Accounting Policies (Continued)

(o) Borrowing Costs

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

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

(p) Goods and Services Tax (GST)

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

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

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

(q) Segment Reporting

The accounting policies of the reportable segments are the same as the Group's accounting policies described in this note (Note 1). Segment profit represents the profit before tax earned by each segment without, share of profit of associates, share of profit of joint ventures, gain recognised on disposal of interest in former associate, investment income, and finance costs. All central administration costs have been allocated accordingly on a reasonable basis. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(r) Contributed Equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

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.
Where any group company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Group as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Group.

(s) Earnings Per Share (EPS)

Basic EPS is calculated as net profit or loss attributable to members of the Parent, adjusted to exclude any costs of servicing the entity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as net profit or loss attributable to member of the Parent, adjusted for:
- cost of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

Net profit of loss attributable to members of the Parent is divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements.

(u) Critical Accounting Estimates and Judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and with the company. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods. The key areas in which critical estimates are applied are described below:

Key Estimates

(i) Impairment - General

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

(i) Recognition of deferred tax asset for carried forward tax losses

The group has recognised a deferred tax asset for unused tax losses as at 30 June 2020. Refer to note 16. The Group has concluded that future taxable profit will be available against which the unused tax losses can be utilised. This is supported by approved budgets and business plans.

(ii) Capitalisation of internally developed software

Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

(iii) Intangible assets with indefinite useful lives

An intangible asset is regarded as having an indefinite useful life when there is no foreseeable limit to the period over which the asset is expected to

Note 1 Summary of Significant Accounting Policies (Continued)

generate cash inflows. Software IP is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which it is expected to generate net cash flows. We consider the technology is highly unlikely to become obsolete, and since it is continually refreshed and enhanced the value is maintained, especially as it is a core technology to our customers and is integrated into their operations. An impairment assessment is performed annually to ensure the value is supportable, and in 2020 the Group recognized an impairment loss.

(v) New Accounting Standards and Interpretations not yet mandatory or early adopted

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

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material (applicable to annual reporting period, beginning on or after 1 January 2020)

This Standard amends AASB 101 Presentation of Financial Statements and AAS 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The impact of this standard has been assessed and adoption of this standard from 1 January 2020 is not expected to have a material impact on the Group.

Note 2 Parent Entity Financial Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	2020	2019
STATEMENT OF FINANCIAL POSITION	$	$
ASSETS		
Current Assets	6,304,866	5,065,067
Non-current Assets	-	-
TOTAL ASSETS	6,304,866	5,065,067
LIABILITIES		
Current Liabilities	214,157	473,295
Non-current Liabilities	-	-
TOTAL LIABILITIES	214,157	473,295
EQUITY		
Issued Capital	3,787,582	514,483
Retained Earnings / (Accumulated Losses)	(1,621,507)	152,655
Revaluation Reserve	3,924,634	3,924,634
TOTAL EQUITY	6,090,709	4,591,772
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Total profit/(loss)	2,545,764	2,433,910
Total comprehensive income	2,545,764	2,433,910

Significant Accounting Policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 1.

Guarantees
Stream Group Limited has not entered into any guarantees in the current or previous financial year in relation to the debts of its subsidiaries.

Contingent assets/liabilities
As at 30 June 2020 Stream Group Limited did not have any known contingent assets or liabilities.

Contractual commitments
At 30 June 2020 Stream Group Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2019: Nil).

Note 3 Revenue and Other Income

Revenue from continuing operations	2020	2019
	$	$
Sales revenue		
— contract revenue	682,406	1,012,903
— provision of services	-	-
	682,406	1,012,903
Other revenue		
— interest received	22,640	72,963
— sale of Symetri earn out	1,583,176	-
— recognition of assets	-	160,550
— government initiatives	107,500	-
	1,713,316	233,513
Total revenue	2,395,722	1,246,416
Other income		
— gain (loss) on foreign exchange	(53,379)	514,844
Total other income	(53,379)	514,844
Interest revenue from:		
— financial institutions	22,640	61,570
Total interest revenue on financial assets	22,640	61,570

A cash earnout payment of $1.5 million was achieved relating to the sale of the claims management business in 2017. In order to achieve the earnout, fee rebates were provided.

Note 4 Profit/(Loss) for the Year

Profit/(loss) before income tax from continuing operations includes the following specific expenses:

	2020	2019
(a) Expenses	$	$
Interest expense on financial liabilities:		
— Financial institutions	10	145
Employee benefits expense	638,521	558,364
Loss on impairment of assets	1,785,504	2,912,243
Other Expenses		
— IT hosting	113,683	214,592
— Accounting and audit	93,154	101,907
— External contractors	417,185	417,041
— Legal expenses	46,933	90,806
Depreciation and amortisation expense		
— Depreciation of property, plant & equipment	1,647	3,043

Note 5 Income Tax Expense

	2020	2019
The components of tax (income)/expense	$	$
Comprise:		
Current Tax	-	-
Deferred Tax	58,370	48,267
	58,370	48,267
The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on loss from ordinary activities before income tax at 27.5% (2019: 27.5%)		
— consolidated group	(269,227)	(981,301)
Add:		
Tax effect of:		
— non-allowable items		288
Less:		
Tax effect of:		
— current year losses not recognised	86,781	1,029,280
Income tax attributable to entity	182,446	48,267

The deferred tax asset not brought to account relate to tax losses relating to the Group's Australian operations. The deferred tax asset recognised in Note 16 relate to the Group's NZ operations.

Note 6 Related Party Transactions

Transactions with related parties

There were no transactions occurring with related parties except for those with key management personnel as disclosed below.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates

Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2020.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2020	2019
	$	$
Short-term employee benefits	134,133	134,410
Post-employment benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total KMP compensation	134,133	134,410

Short-term employee benefits

– these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

– these amounts are the current year's estimated cost of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

Note 7 Auditors' Remuneration

PKF	2020 $	2019 $
Remuneration of the auditor for:		
— auditing or reviewing the financial report	34,000	37,500
— taxation services	3,850	44,000
	37,850	81,500

Note 8 Earnings per Share

		2020 $	2019 $
(a)	Reconciliation of earnings to profit or loss		
	Profit/(loss)	(1,214,831)	(3,005,258)
	Profit attributable to non-controlling equity interest	-	-
	Earnings used to calculate basic and dilutive EPS	(1,214,831)	(3,005,258)
(b)	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	244,692,082	218,305,344
	Weighted average number of dilutive options outstanding	-	-
	Weighted average number of dilutive converting preference shares on issue	-	-
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	244,692,082	218,305,344
(c)	Calculation of basic and diluted EPS	Cents	Cents
	Basic earnings per	(0.50)	(1.38)
	Diluted earnings per share	(0.50)	(1.38)

Note 9 Cash and Cash Equivalents

	2020 $	2019 $
Cash at bank and on hand	2,770,681	2,666,038

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	2020 $	2019 $
Cash and cash equivalents	2,770,681	2,666,038

Note 10 Trade and Other Receivables

	2020 $	2019 $
Trade receivables	210,076	261,362
Less: Allowance for expected credit losses	(4,224)	(4,224)
	205,852	257,138
Add:		
Other receivables	15,794	280,687
Interest receivable	-	-
Total Trade and Other Receivables	221,646	537,825

Allowance for expected credit losses

The company has recognised a loss of $4,224 in profit or loss in respect of the expected credit losses for the year ended 30 June 2020

Financial Assets Classified as Loans and Receivables	2020	2019
Trade receivables	$	$
— Total current	206,381	242,772
— Total non-current	-	-
Financial assets	206,381	242,772

The ageing of the receivables and allowance for expected credit losses provided for the above are as follows

	Expected credit loss rate 2020 %	Carrying amount 2020 $	Allowance for expected credit losses 2020 $
Not overdue	0%	73,150	-
30-60 Days	0%	69,968	-
60-90 Days	0%	62,721	-
90 Days +	99%	4,237	4,224
Total		210,076	4,224

Note 11 Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's country of incorporation is also its principal place of business.

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

The consolidated financial statements of Stream Group Limited incorporate the assets, liabilities and results of the following subsidiaries.

			Ownership Interest	
			2020	**2019**
Name of subsidiary	**%**	**Country of incorporation**	**%**	**%**
Qusol NZ Ltd (Formerly Symetri Ltd)	100%	New Zealand	100%	100%
Qusol Technology Ltd (formerly Symetri Technology Ltd	100%	New Zealand	100%	100%

(b) Disposal of Controlled Entities

No entities were disposed of during the year

Note 12 Property, Plant and Equipment

PLANT AND EQUIPMENT	2020 $	2019 $
Plant and equipment:		
At cost	7,574	7,574
Accumulated depreciation	(6,635)	(4,988)
Total plant and equipment	**939**	**2,586**

(a) Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment	Total
Consolidated Group:	$	$
Balance at 1 July 2018	**3,664**	**3,664**
Additions	1,965	1,965
Disposals	-	-
Revaluation increments / (decrements)	-	-
Movement in foreign currency	-	-
Depreciation expense	(3,043)	(3,043)
Balance at 30 June 2019	**2,586**	**2,586**
Additions	-	-
Disposals	-	-
Revaluation increments / (decrements)	-	-
Movement in foreign currency	-	-
Depreciation expense	(1,647)	(1,647)
Balance at 30 June 2020	**939**	**939**

Note 13 Intangible Assets

	2020	2019
Software IP	$	$
Cost	4,448,003	4,448,003
Foreign exchange rate movement	284,302	331,198
Accumulated amortisation and impairment losses	(4,482,026)	(2,696,522)
Net Carrying Amount	**250,279**	**2,082,679**
Total Intangibles	**250,279**	**2,082,679**

The recoverable amounts of Software IP were determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using the growth rates determined by management, being 0%. The present value of the expected cash flows was determined by applying a suitable discount rate, being 25.0%.

	Software IP $	Total $
Year ended 30 June 2019		
Balance at the beginning of the year	4,448,003	4,448,003
Additions	-	-
Foreign exchange rate movements	331,198	331,198
Disposals	-	-
Amortisation/impairment charge	(2,696,522)	(2,696,522)
Closing value at 30 June 2019	2,082,679	2,082,679
Year ended 30 June 2020		
Balance at the beginning of the year	2,082,679	2,082,679
Additions	-	-
Foreign exchange rate movements	(46,896)	(46,896)
Disposals	-	-
Amortisation/impairment charge	(1,785,504)	(1,785,504)
Closing value at 30 June 2020	250,279	250,279

The Group's intangible assets consist of the BuildAssist and Qusol computer software owned by a wholly-owned subsidiary, Qusol Technology Ltd. Refer to Note 1 (u) for further detail of judgement. Due to the provision of fee rebates provided in order to achieve the earn-out for the sale of the claims management business in 2017 the Directors have determined that the carrying value of the software exceeds the in-use value by $1,785,504 and have impaired the value of the software by that amount.

Note 14 Other Assets

	2020	2019
CURRENT	$	$
Prepayments	56,801	66,426
Accrued income	27,588	1,724
	84,389	68,150

Note 15 Trade and Other Payables

	2020	2019
CURRENT	$	$
Trade payables	48,053	99,344
Sundry payables and accrued expenses	310,070	308,206
	358,123	407,550

	2020	2019
	$	$
(a) Financial liabilities at amortised cost classified as trade and other payables		
Trade and other payables		
— Total current	358,123	407,550
— Total non-current	-	-
Financial liabilities as trade and other payables	358,123	407,550

Note 16 Tax

	2020	2019
CURRENT	$	$
Income tax payable	-	-
	-	-

NON-CURRENT	Opening Balance	Charged to Income	Charged directly to Equity	Changes in Tax Rate	Exchange Differences	Closing Balance
Consolidated Group	$	$	$	$	$	$
Deferred tax assets						
Provisions	40,888	23,771	-	-	-	64,659
Unused tax losses	140,150	38,834	-	-	-	178,984
Accruals	-	-	-	-	-	-
Balance at 30 June 2019	181,038	62,605	-	-	-	243,643
Provisions	64,659	(6,288)	-	-	-	58,370
Unused tax losses	178,984	(178,985)	-	-	-	-
Accruals	-	-	-	-	-	-
Balance at 30 June 2020	243,643	(185,273)	-	-	-	58,370

Note 17 Provisions

	2020	2019
Employee Benefits	$	$
Opening balance	74,437	54,893
Additional provisions	27,600	35,752
Amounts used	(41,221)	(16,208)
Closing Balance	60,816	74,437
Total Provisions	60,816	74,437

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual and long service leave.
The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience the Group does not expect the full amount of annual leave classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 18 Issued Capital

	2020	2019
	$	$
1,525,236,020 (2019: 215,996,420) fully paid ordinary shares	3,787,582	514,483
	3,787,582	514,483

(a) Ordinary Shares

	2020	2019
	No.	No.
At the beginning of the reporting period	215,996,420	219,329,753
Shares issued during the year		
Cancellation of shares (27/03/2019)	-	(3,333,333)
Shares Issued through Dividend Reinvestment Plan (22/06/2020)	1,309,239,600	-
At the end of the reporting period	1,525,236,020	215,996,420

Ordinary shares participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At the shareholders' meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

On 29 June 2020, 1,309,239,600 ordinary shares were issued at a price of 0.25 cents per share to shareholders who elected to participate in the Company’s Dividend Reinvestment Plan (“DRP”) in satisfaction of the 2.0 cents dividend paid on 26 June 2020. 75.77% of shareholders by value participated in the DRP.

Note 19 Contingent Liabilities and Contingent Assets

When Stream Group Ltd's NZ subsidiary sold its claims management business and assets in 2017 it provided normal warranties and indemnities with respect to the sold business. Notwithstanding that the Group has taken out appropriate insurance policies to cover such contingencies, there is a residual contingent liability with respect to warranties and indemnities provided to the purchaser of the business.

Note 20 Operating Segments

General Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group is managed primarily on the basis of geographic location as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

The geographic operating segments identified are as follows:

— Australia;
— New Zealand;

Each of these segments is described below:

Australia

The Australian operating segment consists of the Qusol software division providing IT services to Gallagher Bassett NZ Ltd, Claims Consortium Adjusting Ltd and other clients.

New Zealand

The New Zealand (NZ) operating segment is made up entirely of the results of Qusol NZ Ltd.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

(b) Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segment's consumption of head office expenditure.

(c) Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Equity accounted share of associates net profit/(loss)
- Payments under employee share plans
- Impairment of assets/bad debts written off
- Exchange differences on translation of foreign operations

(d) Segment performance

30 June 2020	Australia $	New Zealand $	Eliminations/ Unallocated Items $	Total $
REVENUE				
Sales	19,439	662,967	-	682,406
Other Revenue	2,991,705	1,583,176	(2,884,205)	1,690,676
Total segment revenue	**3,011,144**	**2,246,143**	**(2,884,205)**	**2,373,082**
SEGMENT RESULT				
Operating Expenses	(472,351)	(1,117,056)	1,840	(1,587,567)
Earnings before interest, tax, depreciation and amortisation	**2,538,793**	**1,129,087**	**(2,882,365)**	**785,515**
Depreciation and amortisation	(1,647)	-	-	(1,647)
Earnings before interest and tax (EBIT)	**2,537,146**	**1,129,087**	**(2,882,365)**	**783,868**
Gain (loss) on derecognition	-	-	-	-
Interest (income)	10,915	19,444	(7,719)	22,640
Interest (expense)	(10)	(7,588)	7,588	(10)
Income tax benefit/(expense)	-	(182,446)	-	(182,446)
Exchange differences on translation of foreign operations	-	-	-	(53,379)
Impairment of Assets	-	-	-	(1,785,504)
Net profit/(loss) for the year	**2,548,051**	**958,497**	**(2,882,497)**	**(1,214,831)**

30 June 2019	Australia $	New Zealand $	Eliminations/ Unallocated Items $	Total $
REVENUE				
Sales	43,970	968,933	-	1,012,903
Other Revenue	3,238,452	160,435	(3,238,337)	160,550
Total segment revenue	**3,282,422**	**1,129,368**	**(3,238,337)**	**1,173,453**
SEGMENT RESULT				
Operating Expenses	(468,354)	(1,430,994)	-	(1,899,348)
Earnings before interest, tax, depreciation and amortisation	**2,814,068**	**(301,626)**	**(3,238,337)**	**(725,895)**
Depreciation and amortisation	(3,043)	-	-	(3,043)
Earnings before interest and tax (EBIT)	**2,811,025**	**(301,626)**	**(3,238,337)**	**(728,938)**
Gain (loss) on derecognition	-	-	-	-
Interest (income)	15,836	140,392	(83,265)	72,963
Interest (expense)	(84,962)	(144)	84,955	(151)
Income tax benefit/(expense)	-	48,267	-	48,267
Exchange differences on translation of foreign operations	-	-	-	514,844
Impairment of Assets	-	-	-	(2,912,243)
Net profit/(loss) for the year	**2,741,899**	**(113,111)**	**(3,236,647)**	**(3,005,258)**

Please note that the above segment analysis provides the results for each geographical segment before elimination of inter-entity transactions to accurately demonstrate the profit in each different segment. This is due to the costs incurred by the Australian entities that relate to the operational activities in New Zealand.

(e) Segment assets and liabilities

30 June 2020	Australia $	New Zealand $	Eliminations on consolidation $	Total $
Assets	5,328,535	1,983,403	(3,925,634)	3,386,304
Liabilities	(762,174)	1,181,114	-	418,940

30 June 2019	Australia $	New Zealand $	Eliminations on consolidation $	Total $
Assets	5,050,208	4,817,423	(4,156,619)	5,711,012
Liabilities	458,436	254,535	(230,984)	481,987

Note 21 Cash Flow Information

(a) Reconciliation of Cash Flow from Operating Activities with Profit after Income Tax

	2020 $	2019 $
Profit/(Loss) after income tax	(1,214,831)	(3,005,258)
Non-cash flows in profit/(loss)		
Depreciation	1,647	3,043
Non-cash interest	-	-
Currency (gain) / loss	(47,176)	(223,143)
Impairment of assets/bad debts written off	1,832,400	2,365,324
Net (gain) / loss on disposal of businesses	(1,630,000)	-
Effect of foreign exchange on asset values	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
(Increase)/decrease in trade and other receivables	316,179	(9,525)
(Increase)/decrease in other assets	93,852	30,891
Increase/(decrease) in trade payables and accruals	(49,427)	224,404
Increase/(decrease) in deferred income taxes	185,273	(62,605)
Increase/(decrease) in other liabilities	(13,621)	19,544
Cash flow from operating activities	(525,704)	(657,325)

(b) See Note 9 for reconciliation of cash to the statement of financial position.

Note 22 Events After the Reporting Period

On 22 June 2020 the Company entered into an agreement to acquire 100% of the issued capital of Mayfield Group Investments Pty Ltd for $25 million with the consideration being satisfied by the issue of shares in Stream Group Ltd. A shareholders meeting is being held on 23 October 2020 to consider the transaction. An Explanatory Memorandum and Independent Expert's Report have been sent to shareholders, and it is noted that the Independent Expert has opined that the transaction is fair and reasonable to Stream shareholders that are not associated with the vendors. A copy of these documents is available on the Company's website.

Note 23 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills, leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
Financial Assets	**Note**	2020 $	2019 $
Cash and cash equivalents	9	2,770,681	2,666,038
Loans and receivables	10	206,381	242,772
Total Financial Assets		2,977,062	2,908,810
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	15	358,123	407,550
— Borrowings		-	-
Total Financial Liabilities		358,123	407,550

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations. The company does not maintain any derivative instruments at 30 June 2020.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the company is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are vary between the different business however, do not exceed 30 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

This credit risk is managed through the significant influence that the Group has over the entity allowing it to actively participate in the operating decisions and oversight of the business. The Group also has preferred creditor status over all other creditors but behind the bank.

The Group has other no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2020 $	2019 $
Cash and cash equivalents			
- AA Rated		2,770,681	2,666,038
- A Rated		-	-
- BBB Rated		-	-
- Other		-	-
	9	2,770,681	2,666,038

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- on-going review of cash flow;
- obtaining funding from a variety of sources, e.g. equipment financing;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

c. Market Risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that primarily expose the Group to interest rate risk are borrowings, shares in listed companies and cash and cash equivalents. This risk is considered in the sensitivity analysis below.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

Year ended 30 June 2020	Profit $	Equity $
+/- 2% in interest rates	-	-
+/- 10% in AUD/NZD	78,868	227,122

Year ended 30 June 2019	Profit $	Equity $
+/- 2% in interest rates	-	-
+/- 10% in AUD/NZD	252,233	1,373,778

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments, which are carried at amortised cost (i.e. trade receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

		2020		2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets		$	$	$	$
Cash and cash equivalents	9	2,770,681	2,770,681	2,666,038	2,666,038
Trade and other receivables	10	221,646	221,646	537,825	537,825
Total financial assets		2,992,327	2,992,327	3,203,863	3,203,863
Financial liabilities					
Trade and other payables	15	358,123	358,123	407,550	407,550
Related Party Loan		-	-	-	-
Total financial liabilities		358,123	358,123	407,550	407,550

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values. Trade and other payables exclude amounts relating to the provision of annual leave, which is outside the scope of AASB 9.

(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at the end of the reporting period for similar types of loans and advances. Differences between fair values and carrying amounts largely represent movements in the effective interest rate determined on initial recognition and current market rates.

(iii) For listed financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).

(iv) Discounted cash flow models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.

(v) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair value of fixed rate bank debt will differ to carrying amounts.

Capital management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position and cash flow hedges recognised in other comprehensive income.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Note 24 Reserves

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

	2020	2019
	$	$
Opening balance	(256,247)	(771,091)
Translation of financial statements of foreign entities	(53,379)	514,844
Closing balance	(309,626)	(256,247)

Note 25 Capital and Lease Commitments

There were no capital or lease commitments at the year end.

Note 26 Company Details

The registered office of the company is:
Stream Group Limited
Level 3
22 Market Street
Sydney NSW 2000
www.streamgroupltd.com.au

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Stream Group Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 12 to 34, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   (b) give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Director: ______________________________

Lawrence Case

Dated: 30 September 2020

SHAREHOLDER INFORMATION

Additional information required by Australian Stock Exchange Listing Rules is as follows. The following information is current as at 15 September 2020:

1. **Shareholding**

a. **Distribution schedule of shareholders**

Category (size of holding)	Number of Holders	Ordinary Share Number	Percentage
1 - 1,000	172	45,964	0.00%
1,001 - 5,000	153	354,809	0.02%
5,001 - 10,000	93	816,351	0.05%
10,001 - 100,000	289	9,660,178	0.63%
100,001 - and over	159	1,514,358,718	99.29%
TOTAL	**866**	**1,525,236,020**	**100.00%**

b. **The names of the substantial shareholders listed in the holding company's register are:**

Shareholder	Ordinary Share Number	Percentage
PHOENIX DEVELOPMENT FUND LTD	325,289,880	21.33%
GISELA FELSTEAD	268,122,996	17.58%
NIGHTINGALE PARTNERS PTY LTD	230,038,578	15.08%
REITHAM FINANZ GMBH & CO KG	238,696,830	15.65%
BIRGIT NEISER	96,146,775	6.30%
REITHAM EQUITY GMBH	91,239,066	5.98%

c. **Class of shares and voting Rights**

All shares are ordinary shares. Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

d. **20 Largest Shareholders — Ordinary Shares**

Balance as at 15 September 2020	Number of Ordinary Shares Held	Percentage
1. BNP PARIBAS NOMS PTY LTD	741,975,342	48.64%
2. NIGHTINGALE PARTNERS PTY LTD	230,038,578	15.08%
3. PHOENIX DEVELOPMENT FUND LTD	95,251,302	6.25%
4. DONWOOD PTY LTD	58,983,498	3.87%
5. NOTRON (NO 91) PTY LTD	48,630,978	3.19%
6. CONTEMPLATOR PTY LTD	45,000,000	2.95%
7. MIEI RAGAZZI PTY LTD	27,000,000	1.77%
8. ROBERT ALLWELL PTY LTD	24,576,624	1.61%
9. CHRISTIAN BERNECKER & CATHERINE THOMPSON	21,221,721	1.39%
10. RISTOLLE PTY LTD	21,000,006	1.38%
11. FERNANE PTY LTD	20,999,997	1.38%
12. PACIFIC ATLANTIC COMMERCE PTY LTD	18,544,671	1.22%
13. SUULEISA NOMINEES PTY LTD	15,799,995	1.04%
14. IRONWOOD INVESTMENTS PTY LTD	9,485,316	0.62%
15. NATIONAL NOMINEES LTD	9,434,135	0.62%
16. STITCHING PTY LTD	9,000,000	0.59%
17. RUMINATOR PTY LTD	8,999,676	0.59%
18. MR ALLAN GRAHAM JENZEN AND MRS ELIZABETH JENZEN	5,040,000	0.33%
19. IRONWOOD INVESTMENTS PTY LTD <PHILLIPS SUPER FUND A/C>	4,999,995	0.33%
20. BRAD KAY AND CHRISTINA KAY	4,558,400	0.30%
	1,420,522,234	93.14%

2. The name of the company secretary is Brett Crowley (commenced on 10 May 2016).

3. The address of the principal registered office in Australia is Level 3, 22 Market St, Sydney, 2000. Telephone +61 422 432 441

4. A register of securities is held at the following address:

Advanced Share Registry Services
110 Stirling Highway, Nedlands, WA, Australia, 6009 http://www.advancedshare.com.au
(08) 9389 8033

5. **Stock Exchange Listing**

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STREAM GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Stream Group Limited (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Company and the consolidated entity comprising the company and the entities it controlled at the year end or from time to time during the financial year.

In our opinion, the financial report of Stream Group Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

PKF(NS) Audit & Assurance Limited Partnership
ABN 91 850 861 839

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PO Box 2368 Dangar NSW 2309
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Key Audit Matters (cont'd)

1. Impairment testing of Intangible Asset (Software IP)

Why significant	How our audit addressed the key audit matter
Within the group's intangible assets is a balance of $250,279 relating to the BuildAssist/Qusol Software Intellectual Property rights. This asset has been subject to an impairment loss of $1,785,504 during the year. This Software IP was subject to an impairment assessment due to being considered by the Directors to have an indefinite useful life, and in addition, as a result of ongoing performance and future plans for the asset. Details of impairment testing are included in Note 13. Management determined that future cashflows will be significantly reduced going forward, due to the re-negotiation of the terms of their SAAS agreement, however this did result in a cash earn out payment relating to sale of the claims management business in 2017, of $1.5m (refer to Note 3). In addition there will be less reliance on the Software IP in future periods following the proposed company acquisition (refer to Note 22). Based on the above we have considered that the carrying value of intangibles and related impairment testing is a Key Audit Matter.	Our work has included, but not been limited to, the following procedures: • Reviewing Management's assessment regarding the Software IP having an indefinite useful life and considering the requirements of AASB 138 Intangible Assets; • Analysing Management's board approved value in use cash flow model and considering for reasonableness, including appropriateness of impairment of $1,785,504; • Considering the impairment assessment with regard to the requirements of AASB 136 Impairment of Assets. • Performing audit work on the key assumptions used by Management in preparation of their financial cash flow forecast, and seeking additional audit evidence where necessary to gain sufficient assurance over the reasonableness of the assumptions, including review of the revised SAAS agreement; • Reviewing Management's sensitivity testing and applied additional sensitivity analysis to further challenge the carrying value of the asset; and • Discussion with management around future plans for the business and alternate fair value options for the Software IP which could also support the carrying value.

Other Information

Other information is financial and non-financial information in the annual report of the Group which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the group are responsible for the preparation of the 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 Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group Financial Report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Stream Group Limited for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF

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SCOTT TOBUTT
PARTNER

DATE 30TH SEPTEMBER 2020
SYDNEY, NSW