

FINANCIAL YEAR ENDED: 30 June 2015

Previous financial period ended: 30 June 2014

Audit Status: This report is in the process of being audited but is not likely to be the subject of dispute or qualification.

Results for announcement to the market

				\$'000s
Revenue from ordinary activities	up	16%	to	162,244
Net profit (loss) for the period after tax attributable to members	down	98%	to	17

Dividends	Amount per security	Franked amount per security
Final dividend – N/A	Nil	N/A
Interim dividend – paid on 17 April 2015	0.50 cents	100%
Record date for determining entitlements to the final dividend	N/A	
Date for payment of the final dividend	N/A	
Dividend Reinvestment Plan (“DRP”) will not apply to the final dividend as no final dividend was declared by the Board.		

Brief explanation of any of the figures reported to enable the figures to be understood;**Commentary:**

Please refer to preceding Full Year Trading Update announcement and commentary on results below.

For any queries, please contact Daniel Riley on 1300 666 177


Signed: Daniel Riley, Director**Date: 27th August 2015**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

		Consolidated Group	
	Note	30 June 2015	30 June 2014
		\$000's	\$000's
Revenue		162,244	139,369
Agency fees		(77,321)	(66,778)
Employee benefit expense (direct employees)		(4,520)	(3,789)
Employee benefit expense (on-hire staff)		(75,670)	(64,390)
Depreciation and amortisation expense		(160)	(116)
Finance costs-product related		(1,005)	(496)
Finance costs-corporate		(421)	(161)
Rent		(382)	(361)
Bad and doubtful debts		(1,373)	(36)
Other expenses		(2,060)	(1,561)
Total Expenditure		(162,912)	(137,688)
Profit/(Loss) before Income Tax		(668)	1,681
Income tax expense		685	(569)
Profit/(loss) attributable to members of the parent entity		17	1,112
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		17	1,112
Earnings/(loss) per Share:			
Basic and diluted earnings/(loss) per share (cents)	4	0.02	1.55

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Note	Consolidated Group 30 June 2015 \$000's	30 June 2014 \$000's
CURRENT ASSETS			
Cash and cash equivalents		14,142	504
Trade and other receivables		39,479	24,321
Other current assets		3,605	916
TOTAL CURRENT ASSETS		57,226	25,741
NON-CURRENT ASSETS			
Plant and equipment		218	174
Deferred tax assets		1,515	876
Intangible assets		7,428	5,358
TOTAL NON-CURRENT ASSETS		9,161	6,408
TOTAL ASSETS		66,387	32,149
CURRENT LIABILITIES			
Trade payable		19,927	10,755
Other payable		1,373	2,524
Other current liabilities		20	106
Borrowings		8	6,685
Current tax liabilities		624	671
Short-term provisions		796	1,120
TOTAL CURRENT LIABILITIES		22,748	21,861
NON-CURRENT LIABILITIES			
Borrowings		33,657	17
Long-term provisions		79	4
TOTAL NON-CURRENT LIABILITIES		33,736	21
TOTAL LIABILITIES		56,484	21,882
NET ASSETS		9,903	10,267
EQUITY			
Issued capital	2	10,979	10,350
Reserves		441	441
Accumulated losses		(1,517)	(524)
TOTAL EQUITY		9,903	10,267

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2015

Consolidated Group

	Share Capital \$000's	General Reserve \$000's	Accumulated Losses \$000's	Total Equity \$000's
Balance at 1 July 2013	4,719	-	(524)	4,195
Total comprehensive income for the year	-	1,112	-	1,112
Transactions with owners in their capacity as owners				
Contributions of equity	5,785	-	-	5,785
Share issue costs	(154)	-	-	(154)
Dividends provided for or paid	-	(671)	-	(671)
Balance at 30 June 2014	10,350	441	(524)	10,267
Balance at 1 July 2014	10,350	441	(524)	10,267
Total comprehensive income for the year	-	-	17	17
Transactions with owners in their capacity as owners				
Contributions of equity	629	-	-	629
Share issue costs	-	-	-	-
Dividends provided for or paid	-	-	(1,010)	(1,010)
Balance at 30 June 2015	10,979	441	(1,517)	9,903

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Consolidated Group	
	30 June 2015	30 June 2014
	Note	\$000's
		\$000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers		157,101
Payments to suppliers and employees		(165,270)
Interest received		95
Finance costs		(1,425)
Income tax paid		-
Net cash provided by operating activities		(9,499)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Plant and Equipment		(81)
Payments for IT Development		(53)
Payment for subsidiary, net of cash acquired		(2,161)
Net cash (used in) investing activities		(2,295)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options		629
Cost of capital raising		-
Proceeds from borrowings		33,648
Repayment of borrowings		(7,835)
Dividends paid to company's shareholders		(1,010)
Net cash (used in)/ provided by financing activities		25,432
Net (decrease)/ increase in cash held		13,638
Cash at the beginning of the financial year		504
Cash acquired on acquisition of subsidiary		-
Cash at the end of the financial year		14,142

The accompanying notes form part of these financial statements

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements of CML Group Limited and controlled entities ('Consolidated Group' or 'Group'). Accounting policies have been applied consistently from the prior year.

2. CONTRIBUTED EQUITY

	2015	2014	2015	2014
	Shares	Shares	\$000's	\$000's
Ordinary Shares fully paid	93,937,825	90,302,694	10,979	10,350

3,635,131 ordinary shares were issued in the financial year ended 30 June 2015.

3. SUBSIDIARIES

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

Name of entity	Country of Incorporation	Class of Shares	Equity holding*	
			2015	2014
<i>Parent entity</i>				
CML Group Limited	Australia	Ordinary		
<i>Controlled entities</i>				
*Cashflow Finance Australia Pty Ltd	Australia	Ordinary	100%	-
Zenith Management Services Pty Ltd	Australia	Ordinary	100%	100%
Lester Australia Limited	UK	Ordinary	100%	100%
The Lester Partnership Pty Limited	Australia	Ordinary	100%	100%
Lester Payroll Services Pty Limited	Australia	Ordinary	100%	100%
Lester Associates Good Migration Pty Limited	Australia	Ordinary	100%	100%
Lester Associates Business Services Pty Limited	Australia	Ordinary	100%	100%
LesterPlus Pty Limited	Australia	Ordinary	100%	100%

The proportion of ownership interest is equal to the proportion of voting power held

*Acquisition of Cashflow Finance Australia Pty Ltd (CFA) was completed on 21 May 2015.

4. EARNINGS PER SHARE

	Consolidated Group	
	2015	2014
	Cents per Share	Cents per Share
Basic and diluted earnings per share	0.02	1.55

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:-

	Consolidated Group	
	2015	2014
	\$000's	\$000's
Earnings (i)	17	1,112
	No	No
Weighted average number of ordinary shares (ii)	92,474,823	71,608,488

- (i) Earnings used in the calculation of basic earnings per share are net profit after tax as per the income statement.
- (ii) The Group has a total of 10,387,131 convertible notes at 30 June 2015 which have an anti-dilutive impact on the earning per share, and therefore are not included in the calculation.

5. NET TANGIBLE ASSET BACKING

	Cents	Cents
Net tangible asset backing per ordinary security (per share)	2.6	5.4

6. EVENTS SUBSEQUENT TO REPORTING DATE

There are no circumstances that have arisen since the end of the financial period which significantly affect or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

7. SEGMENT INFORMATION

	Finance \$'000's	Payroll and related services \$'000's	Corporate \$'000's	Total \$'000's
<i>Year ended 30 Jun 2015</i>				
Total segment revenue	80,676	81,464	0	162,140
Adjusted Profit before income Tax	(109)	2,140	(1,209)	822
<i>Year ended 30 Jun 2014</i>				
Total segment revenue	64,604	74,741	0	139,345
Adjusted Profit before income Tax	1,601	1,670	(841)	2,430

The Board assesses the performance of the operating segments based on a measure of adjusted profit / (loss) before income tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. Furthermore, the measure excludes the effects of equity-settled share-based payments and unrealised gains/ (losses) on financial instruments. Interest income and expenditure are also not allocated to segments. A reconciliation of adjusted Profit before Income Tax to Profit before Income Tax is provided as follows:-

	Consolidated Group	
	30 Jun 2015	30 Jun 2014
	\$000's	\$000's
Adjusted Profit before income tax	822	2,430
Depreciation and amortisation	(160)	(116)
Interest costs	(1,425)	(657)
Interest Income	95	24
Profit before income tax	(668)	1,682

8. COMMENTARY ON RESULTS

Whilst we are disappointed in reporting a marginal profit for the year we are pleased with the progress the Company has made with its 2 primary objectives detailed below;

Securing long-term funding

Critical to CML's growth ambitions is access to funds to grow its loan book, both organically and through acquisition. During FY'15 CML increased access to funding through the issue of a \$10.4m convertible note at 9% in January and a \$25.0m corporate bond issue at an interest rate of 5.4% over the current 30-day BBSW in May. These funds were not fully utilised as at 30 June 2015, placing the Company in a strong position to capitalise on the funding attained in FY'15 for growth during FY'16 and future years.

Loan book growth

Facilitated by the long-term funding secured during FY'15, CML completed the acquisition of Cashflow Finance Australia Pty Ltd ("CFA") on 21st May 2015, which almost doubled CML's loan book to approximately \$21.5m. Established in 1985, CFA is a receivables financing company and has a strong presence in Queensland. The addition of CFA will substantially boost the Company's Finance Division loan book and financials in FY'16. Significantly, the CFA acquisition will assist in diversifying CML's client exposure from both an industry and geographic perspective and staffing synergies with CML will reduce employment costs across the combined CML/CFA operations.

In addition to the above initiatives, during FY'15 the Company has made substantial Board changes, adding significant knowledge of capital markets and lending. In addition, CML has appointed experienced invoice finance executives to its management team. These changes will assist CML to refine and execute its strategy, as it pursues strong and sustainable business growth.

Thank you for your support of CML Group and we look forward to reporting on the progress of the Company during the current FY'16 year.



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Daniel Riley
Managing Director
27th August 2015