

**APPENDIX 4E
PRELIMINARY FINAL REPORT**



**ABN 57 010 597 672
30 JUNE 2015**

Lodged with the ASX under Listing Rule 4.3A.

CONTENTS

Results for Announcement to the Market - <i>Appendix 4E item 2</i>	1
Directors' Report	3
Consolidated Statement of Comprehensive Income	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Equity	7
Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9

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

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

APPENDIX 4E RESULTS FOR ANNOUNCEMENT TO THE MARKET

(Comparative figures being the year ended 30 June 2014)

The consolidated financial statements and other relevant information below are a continuation of the financial statements of Stream Group Limited. The comparative information presented in the following report is that of Stream Group Limited. All amounts are presented in Australian Dollars (\$AUD).

				\$
Revenue from ordinary activities <i>(Appendix 4E item 2.1)</i>	Up	17.4%	to	34,627,298
Operating Profit/(loss) before share of profit/(loss) from associates and before tax (EBIT)	Down	-642.4%	to	(5,336,359)
Profit/(loss) from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>	Down	-455.1%	to	(12,817,159)
Net profit/(loss) for the period attributable to members <i>(Appendix 4E item 2.3)</i>	Down	-455.1%	to	(12,817,159)
Dividends <i>(Appendix 4E item 2.4)</i>		<u>Amount per security</u>		<u>Franked amount per security</u>
Final dividend		Nil		Nil
Interim dividend		Nil		Nil

Record date for determining entitlements to the final dividend *(Appendix 4E item 2.5)*

Not applicable.

NTA backing

	30-Jun-15	30-Jun-14
	\$	\$
Net tangible asset backing per ordinary share (cents)	(3.25)	2.86

Melbourne Technology Group Pty Ltd (NIRS) acquisition

On 17 September 2014 Stream Group Limited ("Stream") agreed to acquire Melbourne Technology Group Pty Ltd trading as National Insurance Replacement Services ("NIRS"). Stream previously held 40% of NIRS and has now acquired 100% of the remaining 60% by issuing new shares in Stream to the remaining shareholders of NIRS.

The acquisition of NIRS was finalised on 9 November 2014 and NIRS' results have been consolidated with Stream's results from this date.

NIRS is a national provider of innovative contents validation and fulfilment services to insurers and claims handlers. The acquisition aligns with Stream's strategy by broadening capability, increasing the number of insurance customers and adding revenue of \$6 - 7 million on an annualised basis.

Cerno Limited voluntary administration and Cerno asset acquisition

On 23 February 2015 the Board of Cerno Limited voluntarily entered the company into administration. Stream had invested significant funds in Cerno Limited but was unable to return the business to profitability. In addition a resolution could not be agreed with Third Party Cerno Shareholder's Debt which ultimately lead to the voluntary administration.

On the same date, Stream agreed to acquire various assets and liabilities of Cerno Limited which were set off against the secured amounts owing from Cerno Limited to Stream.

The Cerno Brand has been retired and replaced by Stream across all business lines. Stream will maintain national coverage for loss adjusting and will continue to provide a broad service offering including liability, property, marine and motor services.

Cerno Limited went into liquidation in May 2015.

Censeo Pty Ltd acquisition

On the 1st of February 2015, Stream acquired 100% of the shares in Censeo Pty Ltd (a subsidiary of Cerno Limited). A consideration of \$600,000 was paid to acquire the shares. The consideration was offset against the secured loan owed to Stream by Cerno Limited.

Censeo is a national provider of building and engineering services. The business is complimentary to the services provided by loss adjustors and insurance claims services.

APPENDIX 4E

RESULTS FOR ANNOUNCEMENT TO THE MARKET CONTINUED

Explanation of revenue (*Appendix 4E item 2.6*)

Refer to "Review of Operations" in Directors Report attached.

Explanation of profit/(loss) from ordinary activities after tax (*Appendix 4E item 2.6*)

Refer to "Review of Operations" in Directors Report attached.

Investments in associates and joint venture entities

Associates

	Ownership interest		Carrying amount	
	30-Jun-15	30-Jun-14	30-Jun-15	30-Jun-14
	%	%	\$	\$
Melbourne Technology Group Pty Ltd	100%	40%	-	524,374
Censeo Pty Ltd	100%	0%	600,000	-
Cerno Limited	100%	39%	-	-
			600,000	524,374

DIRECTORS' REPORT

Your Directors submit their report for the year ended 30 June 2015.

DIRECTORS

Donovan McKenzie
Christian Bernecker
Jens Neiser
Lawrence Case (appointed 9 June 2015)
Stuart Marburg (resigned 16 December 2014)
Paul Lynch (resigned 13 April 2015)
Tony Nicklin (resigned 7 August 2015)

Company Secretary

Thomas Rowe retired as Company Secretary on 10 November 2014 and Tony Perkins was appointed as Company Secretary on that date.

REVIEW OF OPERATIONS

Australian Operations

After a slow start of the business year due to benign weather conditions operating conditions improved significantly from late November 2014 after a storm event in Brisbane. Further weather events late in the season have caused a higher than usual percentage of open claims at June 30 2015 when compared to previous years. This means that a higher percentage of claims received in FY 2015 will be closed and invoiced in FY 2016.

In early February, Stream Group acquired parts of the portfolio of the Cerno Limited business from Cerno (in liquidation). The business was integrated into the operations of Stream and is performing in line with expectations. This business provides Stream with a larger client base, bigger geographic presence and expertise in a broader area of loss adjusting. The business made a trading profit (before one-offs) in the first 5 months of trading which is expected to continue and grow next financial year.

The business of Melbourne Technology Group (or NIRS), which was acquired in November 2015, experienced trading difficulties. The board however remains confident that the acquisition will improve the service offering to its customer and supplier base. A new management team has since been put in place to spearhead the turnaround initiatives to achieve the synergies envisaged at acquisition. Notwithstanding the board's positive outlook of the NIRS business, a prudent decision has been taken to impair the goodwill and Client List value on acquisition of the business.

New Zealand Operations

The Earthquake program continues to perform well. The success of the existing program has enabled the operations to commence providing their services to another major insurer. The Directors expect that this, along with the existing pipeline of work will ensure that the operation continues to generate positive results. Marketing efforts have also increased in the business as usual (BAU) operations of NZ to organically grow revenue in forward years.

The trading results of the operations were impacted by software usage charges from Insurtech (this is the software developer and provider division of Stream) relating to the previous financial year.

United Kingdom Operations

The United Kingdom (UK) operations have maintained a steady growth over the last six months. The business continues to receive strong support from its current client base and prospects of new business are promising. The board is optimistic that the business will deliver a trading profit next financial year.

Technology Operations

The company continues to invest in technology and software development which enhances its value proposition and creates diversified revenue opportunities for the group. Whilst the cost has been significant, it has allowed Stream to provide a better client experience and more easily expand its business both in Australia and overseas. Revenue for technology only sales started during FY 2015 and is forecast to grow in FY 2016.

DIRECTORS' REPORT CONTINUED

Impairment and bad debts

The board has reviewed the current operating performance of NIRS, and in view of the current trading performance, has decided to write-off the value of goodwill and intangible client list associated with the acquisition. An impairment charge of \$2.2m has been brought to account.

As previously advised, the board provided for a loss of \$5.2m for unsecured loans made to Cerno Limited, in December 2014. This has been written-off as a bad debt, as it is unlikely that any monies will be recoverable from the Cerno liquidators.

The board has also reviewed the carrying values of capitalised software and have decided to impair the value by \$0.4 m.

Appointment of new CEO

As previously reported, the company has appointed a new CEO, Gavin Dixon effective 31 August 2015. Gavin brings to Stream a strong operational and financial background in the insurance industry, having had an extensive international career spanning senior executive appointments in New Zealand, Asia and Europe.

Most recently, Gavin was Chief Operating Officer at Sovereign Limited, New Zealand's largest life insurer, with responsibility for operations, IT and marketing.

The Board welcomes Gavin and looks forward to working closely with him.

DIVIDENDS PAID OR DECLARED

No dividends are proposed by Director's for the year ended 30 June 2015.

The director's report is signed in accordance with a resolution of the Board of Directors.

Signed:



Date:

31 August 2015

Name:

Donovan McKenzie

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30-Jun-15	30-Jun-14
	\$	\$
Revenue from continuing operations		
Sales revenue	34,627,298	29,502,483
Other revenue	2,519,449	161,588
Total revenue from continuing operations	37,146,747	29,664,071
Cost of goods sold	3,452,725	-
Change in work in progress	(1,343,152)	526,330
Expenses		
Employee benefits expense	26,040,942	14,533,873
Depreciation and amortisation expenses	1,547,068	908,507
Finance costs	581,388	343,039
Impairment of assets/bad debts written off	7,859,397	-
Other Expenses	12,935,410	12,842,387
Total expenses	48,964,205	28,627,806
Share of net profit/(loss) of associates and joint venture accounted for using the equity method	(31,954)	(3,139,681)
Profit/(loss) before related income tax expense	(13,958,985)	(2,629,746)
Income tax benefit/(expense)	1,233,696	247,935
Profit/(loss) for the period	(12,725,289)	(2,381,811)
Other comprehensive income that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(91,870)	72,782
Total other comprehensive income/(loss) for the period, net of tax	(91,870)	72,782
Total comprehensive income/(loss) for the period	(12,817,159)	(2,309,029)
Profit/(loss) for the period attributable to:		
Members of Stream Group Limited	(12,725,289)	(2,381,811)
Non-controlling interests	-	-
	(12,725,289)	(2,381,811)
Total comprehensive income/(loss) for the period attributable to:		
Members of Stream Group Limited	(12,817,159)	(2,309,029)
Non-controlling interests	-	-
	(12,817,159)	(2,309,029)
Earnings per share (EPS)	June	June
	2015	2014
	Cents per share	Cents per share
Basic EPS	(7.31)	(1.79)
Diluted EPS	(7.31)	(1.79)
	Number	Number
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share.	175,311,534	128,684,695

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. The prior period comparatives presented in the consolidated statement of profit or loss and other comprehensive income are that of Stream Group Limited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30-Jun-15	30-Jun-14
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	7,174,380	3,304,147
Trade and other receivables	11,393,648	12,545,215
Inventories	5,411,813	2,741,818
Other current assets	1,159,343	324,023
Total current assets	25,139,184	18,915,203
NON CURRENT ASSETS		
Investments accounted for using the equity method	-	524,374
Property, plant & equipment	1,120,562	1,500,902
Financial assets	2,300	152,173
Deferred tax assets	3,956,594	924,043
Intangible assets	11,253,850	5,366,623
Other non-current assets	23,621	171,383
Total non-current assets	16,356,927	8,639,498
Total assets	41,496,111	27,554,701
CURRENT LIABILITIES		
Trade and other payables	26,752,439	11,453,653
Borrowings	5,530,572	851,269
Current tax liabilities	15,823	567,931
Provisions	2,329,375	771,347
Other financial liabilities	262,187	301,274
Total current liabilities	34,890,396	13,945,474
NON CURRENT LIABILITIES		
Borrowings	99,239	3,866,717
Deferred tax liabilities	1,767,127	-
Total non-current liabilities	1,866,366	3,866,717
Total liabilities	36,756,762	17,812,191
Net Assets	4,739,349	9,742,510
EQUITY		
Issued capital	16,785,928	8,373,280
Reserves	(429,206)	169,444
Retained earnings	(11,617,373)	1,199,786
Total equity	4,739,349	9,742,510

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.
 The prior period comparatives presented in the consolidated statement of financial position are that of Stream Group Limited.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital \$	Reserves \$	Retained Earnings \$	Total \$	Non- Controlling Interests \$	Total Equity \$
Balance at 1 July 2013	2,408,375	38,540	3,581,597	6,028,512	-	6,028,512
Profit/(loss) for the period	-	-	(2,381,811)	(2,381,811)	-	(2,381,811)
Other comprehensive income for the period	-	72,782	-	72,782	-	72,782
Total comprehensive income for the period	-	72,782	(2,381,811)	(2,309,029)	-	(2,309,029)
Transactions with owners in their capacity as owners:						
Shares issued during the period	742,487	-	-	742,487	-	742,487
Shares issued pursuant to the reverse acquisition	5,222,418	-	-	5,222,418	-	5,222,418
Share based payment reserve	-	58,122	-	58,122	-	58,122
Dividends provided for or paid	-	-	-	-	-	-
Balance at 30 June 2014	8,373,280	169,444	1,199,786	9,742,510	-	9,742,510
Balance at 1 July 2014	8,373,280	169,444	1,199,786	9,742,510	-	9,742,510
Profit/(loss) for the period	-	-	(12,725,289)	(12,725,289)	-	(12,725,289)
Other comprehensive income/(loss) for the period	-	-	(91,870)	(91,870)	-	(91,870)
Total comprehensive income/(loss) for the period	-	-	(12,817,159)	(12,817,159)	-	(12,817,159)
Transactions with owners in their capacity as owners:						
Shares issued during the period	7,774,068	-	-	7,774,068	-	7,774,068
Shares issued on acquisition of Melbourne Technology Group Pty Ltd	638,580	-	-	638,580	-	638,580
Foreign currency translation reserve	-	(677,290)	-	(677,290)	-	(677,290)
Share based payment reserve	-	78,640	-	78,640	-	78,640
Dividends provided for or paid	-	-	-	-	-	-
Balance at 30 June 2015	16,785,928	(429,206)	(11,617,373)	4,739,349	-	4,739,349

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

The prior period comparatives presented in the consolidated statement of changes in equity are that of Stream Group Limited.

CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Jun-15	30-Jun-14
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	34,720,695	28,824,446
Interest received	50,775	298,407
Payments to Suppliers and Employees	(36,480,932)	(29,566,607)
Income taxes paid	(793,275)	(814,136)
Net operating cash flows	(2,502,737)	(1,257,890)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of assets	-	219,740
Proceeds from sale of investments	150,000	205,000
Payments for property, plant and equipment	(178,701)	(1,082,820)
Payments for Intangible Assets	(1,948,724)	(2,367,001)
Purchase of Investments	-	(769,556)
Loans to related parties	-	(2,255,745)
Loans received from related parties	1,674,307	1,991,000
Net investing cash flows	(303,118)	(4,059,382)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,956,770	1,100,000
Repayment of borrowings	(2,342,987)	(184,400)
Proceeds from share issue	7,482,719	742,487
Dividends paid	-	(1,238,213)
Net financing cash flows	7,096,502	419,874
Net increase/(decrease) in cash held		
Net increase/(decrease) in cash held	4,290,647	(4,897,398)
Cash at the beginning of the period	2,654,500	7,551,898
Cash at the end of the financial period	6,945,147	2,654,500

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.
 The prior period comparatives presented in the consolidated statement of cash flows are that of Stream Group Limited.

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

This preliminary final report for the year ended 30 June 2015 has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. Stream Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The preliminary final report is intended to provide users with an update on the latest financial statements of Stream Group Limited and its controlled entities, collectively the "Group". As such, it does not contain information that represents relatively insignificant changes occurring during the year within the Group. It is therefore recommended that this financial report be read in conjunction with the most recent annual financial statements of the Group for the year ended 30 June 2014, together with any public announcements made during the following year.

These financial statements were authorised for issue on 31 August 2015.

Accounting Policies

The same accounting policies and methods of computation have been followed in this preliminary final financial report as were applied in the most recent annual financial statements.

The Group has considered the implications of other new or amended Accounting Standards but determined that their application to the financial statements is either not relevant or not material.

2. PROFIT/(LOSS) FOR THE PERIOD

The following expense items are relevant in explaining the financial performance for the interim period:

	June 2015	June 2014
	\$	\$
Impairment of assets	2,063,713	-
Bad debts written off	5,472,863	-
Total impairment of assets/bad debts written off	<u>7,859,397</u>	<u>-</u>

3. CASH & CASH EQUIVALENTS

Current

	June 2015	June 2014
	\$	\$
Cash at bank and on hand	7,174,380	3,304,147
Short-term bank deposits	-	-
	<u>7,174,380</u>	<u>3,304,147</u>

Reconciliation of cash

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

Cash and cash equivalents	7,174,380	3,304,147
Bank overdrafts	(229,233)	(649,647)
	<u>6,945,147</u>	<u>2,654,500</u>

NOTES TO THE FINANCIAL STATEMENTS

4. BUSINESS COMBINATIONS

Melbourne Technology Group Pty Ltd

Effective 9 November 2014, Stream increased its shareholding in Melbourne Technology Group Pty Ltd ("NIRS") from 40% to 100%.

The consideration of \$720,000 was paid through the issue of 4,000,000 shares in Stream Group Limited, which at the date of acquisition had a market value of \$0.18 cents per share. At the date of acquisition 3,547,668 shares were issued and a further 452,322 shares were to be issued if EBIT (calculated in accordance with Stream Group Limited accounting policies) of \$200,000 was achieved for the year ended 30 June 2015. The target EBIT was not achieved.

The acquisition had the following effect on the Group's assets and liabilities at 9 November 2014:

	\$
Cash	2,095
Receivables	428,379
Tax receivable	44,529
Inventories	196,228
Property, plant & equipment	114,317
Intangible Assets	1,831,559
Borrowings	(195,094)
Payables	(1,285,563)
Provisions	16,450
Deferred tax liability	(549,468)
Fair value of net identifiable assets and liabilities acquired	603,432
Less: fair value of previously held equity interest	(241,283)
Goodwill on acquisition	357,851
Net assets acquired	<u>720,000</u>
Fair value of consideration transferred	<u>720,000</u>

Intangible assets are at fair value and are based on the recurring income the Group expected to be realised from existing clients at the time of acquisition.

The goodwill that arose on acquisition can be attributed to the synergies that are expected to be derived from the combination of back office functions and the sales force.

Subsequent to the acquisition of NIRS the fair value of the intangible assets and goodwill on acquisition has been revalued to nil as at 30 June 2015.

NIRS contributed total operating revenues of \$3,807,175 and net operating losses of \$681,330 after amortisation and after tax in the period since acquisition date.

Cerno Limited & Stream Customised Claims Pty Ltd

Effective 23 February 2015, Stream agreed to acquire various assets and liabilities of Cerno Limited. continued as a going concern as it entered voluntary administration.

The net assets acquired were set off against the outstanding secured loan owed to Stream by Cerno Limited.

The acquisition had the following effect on the Group's assets and liabilities at 23 February 2015:

	\$
Receivables	842,204
Work in progress	1,047,260
Furniture & fittings	33,866
Intangible Assets	3,981,237
Bank overdraft	(377,489)
Provisions	(797,333)
Deferred tax liability	(918,747)
Fair value of net identifiable assets and liabilities acquired	3,810,998
Goodwill on acquisition	-
Net assets acquired	<u>3,810,998</u>
Fair value of consideration transferred	<u>3,810,998</u>

Intangible assets are at fair value and are based on the recurring income the Group expected to be realised from existing clients at the time of acquisition.

Subsequent to the acquisition of the assets and liabilities of Cerno Limited the fair value of the intangible assets (client lists) acquired has been reviewed for impairment as at 30 June 2015 and it was determined that no adjustment was required.

The assets acquired contributed total operating revenues of \$2,677,667 and resulted in a net operating loss of \$401,091 after amortisation and tax the period since acquisition date. Loss was due to one off expenses.

NOTES TO THE FINANCIAL STATEMENTS

4. BUSINESS COMBINATIONS (CONTINUED)

Censeo Pty Ltd

Effective 1 February 2015, Stream acquired 100% of the shares in Censeo Pty Ltd (a subsidiary of Cerno Limited).

Consideration of \$600,000 was paid for the shares in Censeo Pty Ltd. The consideration was not paid in cash but was offset against the outstanding secured loan owed to Stream by Cerno Limited.

The acquisition had the following effect on the Group's assets and liabilities at 1 February 2015:

Cash	12,903
Receivables	98,345
Work in progress	40,759
Intangibles	520,000
Plant & equipment	4,764
Other assets	24,427
Payables	(123,606)
Provisions	(45,413)
Deferred tax liability	(120,000)
Fair value of net identifiable assets and liabilities acquired	412,179
Goodwill on acquisition	187,821
Net assets acquired	600,000
Fair value of consideration transferred	600,000

Intangible assets are at fair value and are based on the recurring income the Group expected to be realised from existing clients at the time of acquisition.

Subsequent to the acquisition of Censeo Pty Ltd the fair value of the intangible assets acquired has been reviewed for impairment as at 30 June 2015 and it was determined that no adjustment was required.

Censeo Pty Ltd contributed total operating revenues of \$597,967 and net operating profit of \$241,840 after amortisation and tax in the period since acquisition date.

5. CONTINGENT ASSETS AND LIABILITIES

There were no known contingent liabilities or assets as at 30 June 2015 (30 June 2014: nil)

6. EQUITY SECURITIES ISSUED

	Number of Shares	Share Capital \$
Balance at 1 July 2014	153,028,946	8,373,280
Shares issued on acquisition of Melbourne Technology Group Pty Ltd - 21 November 2014	3,547,668	638,580
Rights issue - 15 December 2014	31,235,149	5,602,966
Cancellation - 1 May 2015	(12,195,122)	-
Rights Issue - 29 May 2015	25,124,232	2,171,102
Balance at 30 June 2015	200,740,873	16,785,928

7. DIVIDENDS

No dividend was proposed or paid for the year ended 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

8. SEGMENT INFORMATION

During the year ended 30 June 2015 the group operated in the following geographical segments:

- Australia
- New Zealand
- United Kingdom

OPERATING SEGMENTS

YEAR ENDED 30 JUNE 2015	Australia	New Zealand	United Kingdom	Eliminations on Consolidation	Consolidated
Operating Revenue					
Sales	17,681,570	17,147,845	1,988,235	(2,190,352)	34,627,298
Other Revenue	8,327,333	347,769	316,179	(6,471,832)	2,519,449
Total Revenue	26,008,903	17,495,614	2,304,414	(8,662,184)	37,146,747

Segment Result

Operating Expenses	28,106,739	16,193,558	4,899,117	(8,263,376)	40,936,038
Earnings Before interest, tax, depreciation and amortisation (EBITDA)	(2,097,836)	1,302,056	(2,594,703)	(398,808)	(3,789,291)
Depreciation and amortisation	1,414,803	69,366	62,899	-	1,547,068
Earnings before interest and tax (EBIT)	(3,512,639)	1,232,690	(2,657,602)	-	(5,336,359)
Equity accounted share of associates net profit/(loss)					(31,954)
Impairment of assets/bad debts written off					(7,859,397)
Payments under employee share plan					(132,348)
Share based payments					(109,410)
Interest (expense)				398,808	(581,388)
Income tax benefit/(expense)					1,233,697
Profit/(loss)	(3,512,639)	1,232,690	(2,657,602)	-	(12,817,159)

YEAR ENDED 30 JUNE 2014	Australia	New Zealand	United Kingdom	Eliminations on Consolidation	Consolidated
Operating Revenue					
Sales	15,970,643	18,751,731	41,277	(5,261,168)	29,502,483
Other Revenue	36,090	137,396	(29,289)	17,391	161,588
Total Revenue	16,006,733	18,889,127	11,988	(5,243,777)	29,664,071

Segment Result

Operating Expenses	16,434,604	14,850,566	1,656,525	(5,243,777)	27,697,918
Earnings Before interest, tax, depreciation and amortisation (EBITDA)	(427,871)	4,038,561	(1,644,537)	-	1,966,153
Depreciation and amortisation	792,635	109,396	6,476	-	908,507
Earnings before interest and tax (EBIT)	(1,220,506)	3,929,165	(1,651,013)	-	1,057,646
Equity accounted share of associates net profit/(loss)					(3,139,681)
Payments under employee share plans					(73,768)
Share based payments					(58,122)
Interest (expense)					(343,039)
Income tax benefit/(expense)					247,935
Profit/(loss)	(1,220,506)	3,929,165	(1,651,013)	-	(2,309,029)

Please note that the above segment analysis provides the results for each geographical segment before elimination of inter-entity transactions and does not accurately demonstrate the result in each different segment. This is due e.g. to the costs incurred by the Australian entities that relate to the operational activities in New Zealand and the United Kingdom, and vice versa.

NOTES TO THE FINANCIAL STATEMENTS

9. SHARE BUYBACK

No buy-back of shares was executed during the reporting period ended 30 June 2015

10. GOING CONCERN

The financial statements have been prepared on the going concern basis, which indicates continuity of business activities and the realisation of assets and settlements of liabilities in the normal course of business.

The group recorded an operating loss of \$12,725,289 and a net operating cash outflow of \$2,502,737 for the year ended 30 June 2015 and at that date had net current liabilities of \$9,751,212. The current results include the write-off of unsecured amounts owing by Cerno (in liquidation) (\$5,472,863), impairment of client list and goodwill associated with the acquisition of NIRS (\$1,638,276) and impairment of software assets previously capitalised (\$425,437).

The main drivers for the poor performance for the full year include the benign claims conditions experienced in Australia in the first half of the 2014/15 year, the expansion into the UK costing significantly more than expected, the shared management costs increasing disproportionately to the revenue base, and Stream management resources tied up with Cerno acquisition and integration.

The Directors believe that Stream Group Limited continues to be a going concern due to the following factors:

- The company has agreed to repay the remaining term loan of \$3,100,000 with its current lender (Commonwealth Bank) by March 2016. Accordingly, the loan is now disclosed as a current liability. The company is well advanced in discussions with alternate financing providers to replace or pay out the loan when due.
- To provide sufficient liquidity and allow the business to continue to expand its operations in the UK and the Technology area, negotiations are currently underway to provide additional capital by way of completion of rights issue short fall, placement and debt financing facilities.
- Whilst the first six month of the financial year 2015 incurred most of the full year losses, the result in the second half was significantly improved. Excluding extraordinary one-off items, the business was profitable in the last six months of the year.
- The UK business has now achieved critical mass and in the last quarter made a small profit. The board expects that this momentum will continue into next financial year, with this business expected to deliver a profit for the financial year to 30 June 2016 (this compares to a trading loss of \$2,674,379 before tax in the 2014/15 year).
- All Cerno loans and integration costs have either been impaired, written off or incurred. The remaining Cerno business has now been integrated.
- Significant operating costs have been removed from the business. This exercise commenced in May/June 2015 and it is expected that annualised savings of \$3m to \$4m will be achieved in the 2015/16 year.
- Budget and cash flow forecasts have been prepared which demonstrate that the group will return to profitability and positive operating cash flows in 2015/16 and onwards.
- It continues to receive strong support from existing shareholders.

11. AUDIT STATUS

The audit of the annual report is in the process of being finalised by PKF.