

Thursday, 28 July 2016

## Appendix 4C

### ASX: SW1

**Perth, Australia** — The Board of leading digital entertainment and communications service provider Swift Networks Group Limited (ASX: SW1, “the Company”) is pleased to release its Appendix 4C — Quarterly Cash Flow Report for the three months ending 30 June 2016 alongside a broader update on business activity.

The new contract announced with Rio Tinto today was just one of several valuable business developments Swift Networks progressed during the period as it built on its strong position in the resources sector while expanding into new markets in line with its strategic plan.

**During the quarter, the Swift Networks business enjoyed unaudited revenue of \$3.76 million.**

Reporting in the Appendix 4C for the quarter (June 2016 Quarter) is less streamlined than usual, given it was only late in the quarter that Stanfield Funds Management Limited (later renamed Swift Networks Group Limited, ASX: SW1) completed the acquisition of the Swift Networks business.

**NOTE:** The Appendix 4C that follows reports cash receipts from customers of circa \$1.857 million, which is reflective of **ONLY** the period commencing 19 May (Completion date for acquisition of the Swift Networks Business) to 30 June (end of quarterly period).

The Company also completed a successful oversubscribed capital raising of \$4 million in conjunction with the Swift Networks acquisition. Swift Networks deepened its relationships with existing clients during the period and achieved a significant breakthrough on Tuesday 7 June when it signed an agreement with Freedom Internet to resell its services to Freedom’s hotel and resort clients across Australia and New Zealand. Swift’s push into the hospitality sector continued apace in the quarter, including new hotel clients through Auzcorp Pty Ltd.

The Board is also proud to note that Swift Networks won the ‘Best New Hospitality Product 2016’ award given by the members of the Australian Hotels Association (WA) for its suite of digital entertainment services.

The Board continues to see a positive outlook for Swift Networks’ business development. The Company’s management looks forward to continuing to deliver value to investors as Swift Networks builds on promising early traction in the hotel, aged care and lifestyle sectors.

The cash balance of the Company as at 30 June 2016 was \$3.2 million. This is the cash balance after circa \$500,000 in payments to the vendor for the acquisition of Swift Networks and circa \$500,000 in listing costs associated with the Prospectus and listing on ASX.

**For more information, please contact:**

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**About Swift Networks Group Limited**

**Swift Networks Group Limited (ASX: SW1)** is a digital entertainment system business providing fully integrated solutions for the Resources, Hospitality, Lifestyle Village and Aged Care sectors.

The company's services include free-to-air television, pay television, telecommunications, Internet, data, wireless networks and streaming video on demand with content from some of Hollywood's largest studios.

With a blue-chip client base of household names, Swift Networks provides its services to tens of thousands of rooms with distribution capability throughout the Asia Pacific region.

**Key Company Facts**

- FY15 revenue of \$12.24 million
- More than 29,000 room installations with 91% of revenue recurring in nature
- Subscriber (room growth) of 35% from December 2014 to December 2015
- Contract retention rate of 97% with customers and partners including Telstra, BHP Billiton, National Lifestyle Villages, Foxtel, Optus, Bechtel and Alcatel-Lucent
- Excellent contract win ratio with a 91% tender success rate
- Winner of the Australian Hotels Association (AHA)'s "Best New Hospitality Product" Award, 2016

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Swift Networks Group Limited (formerly Stanfield Funds Management Limited)

ABN

54 006 222 395

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	1,857	1,857
1.2	Payments for		
	(a) staff costs	(234)	(234)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) raw materials & direct costs	(1,418)	(1,418)
	(f) administration	(443)	(979)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	16	27
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other – Net GST (paid)/refunded	(55)	(58)
<b>Net operating cash flows</b>		<b>(278)</b>	<b>(806)</b>

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+ See chapter 19 for defined terms.

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**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	(278)	(806)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5) – net of cash acquired	(67)	(67)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(2)	(2)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	300	353
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	231	284
<b>1.14 Total operating and investing cash flows</b>	(47)	(522)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	4,008	4,008
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	(400)	(400)
1.19 Dividends paid	-	-
1.20 Other – capital raising costs	-	-
Other – capital raising /prospectus costs	(388)	(395)
<b>Net financing cash flows</b>	3,220	3,213
<b>Net increase (decrease) in cash held</b>	3,173	2,691
1.21 Cash at beginning of quarter/year to date	35	517
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	3,208	3,208

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	1
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions  Director's fees and salaries in normal course of trading.	

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 20 May 2016, the Company issued 30,000,000 ordinary shares at \$0.15 per share to Swift Networks Pty Ltd in consideration for the acquisition of 100% of the issued capital in Swift Networks Pty Ltd & Wizzie Pty Ltd.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

NIL

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

+ See chapter 19 for defined terms.

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**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	3,208	35
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)		3,208	35

**Acquisitions and disposals of business entities**

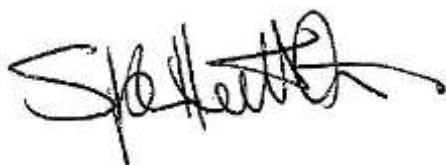
	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	(1) Swift Networks Pty Ltd (2) Wizzie Pty Ltd
5.2	Place of incorporation or registration	Perth, Western Australia
5.3	Consideration for acquisition or disposal	\$500,000 cash 30,000,000 Ordinary Shares 16,666,667 Class A Performance Shares 16,666,667 Class B Performance Shares
5.4	Total net assets	\$1,900,000
5.5	Nature of business	(1) Digital Entertainment System business (2) Provider of streaming content

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## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 28 July 2016

Print name: Stephen Hewitt-Dutton

## **Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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