

APPENDIX 4D RESULTS FOR ANNOUNCEMENT TO THE MARKET

(Comparative figures being the half year ended 31 December 2012)

				\$A
Revenues from continuing operations	UP	1,336 %	to	70,679
Profit/(Loss) after tax from continuing operations	UP	377 %	to	211,419
PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS FOR THE PERIOD	UP	1,710 %	TO	211,419

Dividends/distributions	Amount per security	Franked Amount per security
Final 2013 dividend (paid 25 October 2013) - cents	9.0	100%
Interim Dividend (declared)	Nil	Nil
RECORD DATE FOR DETERMINING ENTITLEMENTS TO DIVIDENDS		NA

NTA backing	Half-year ended 31-Dec-13	Half-year ended 31-Dec-12
NET TANGIBLE ASSET BACKING PER ORDINARY SHARE (CENTS)	14.53	9.10

CONTROLLED ENTITIES ACQUIRED OR DISPOSED OF

During the half-year ended 31 December 2013 no entities were acquired or disposed of.

DETAILS OF SHARES AND RESULTS IN ASSOCIATES AND JOINT VENTURE ENTITIES

There are no associates and joint venture entities at the reporting date other than those consolidated in these financial statements.

COMMENTS BY DIRECTORS

Explanation of Revenue and Profit/(Loss) attributable to members for the period

Refer to "Review of Operations" in Directors Report attached

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DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2013.

DIRECTORS

The names of the directors in office at any time during, or since the end of, the period are:

- Lawrence Case (retired 13 January 2013)
- Christian Bernecker
- Jens Neiser
- Stuart Marburg (appointed 1 August 2013)

Company Secretary

Tom Rowe

REVIEW OF OPERATIONS

As previously disclosed to the ASX, on 31 January 2013 The Company sold its operating subsidiary C4i Pty Ltd to ITT Exelis Inc. As a consequence of this transaction, The Company has since been a cash box.

On 13 January 2014, Shareholders approved:

- the acquisition of Stream Group Holdings Pty Ltd
- The change of name to Stream Group
- The change to the nature and scale of the Company's activities
- The 1:1.5 share consolidation changing the number of shares on issue from 36,522,645 to 24,348,664.

On 13 January 2014, the shares were put into a trading halt until the Company satisfies the ASX that it meets the requirements of Chapters 1 and 2 of the ASX Listing Rules. The Company lodged a Prospectus with ASIC on 21 February 2014 with the primary purpose of achieving spread and to thereby satisfy the ASX requirements for re-quotations of the Company's shares following a change to the nature and scale of the Company's activities.

DIVIDENDS PAID OR DECLARED

No dividends are proposed by Director's for the period ended 31 December 2013.

EVENTS OCCURRING AFTER BALANCE DATE

On 14 January 2014 the Company provided a loan of \$1,000,000 to Cerno Ltd for working capital. The loan is repayable at call by the Company or repayable at any time by Cerno Ltd on 30 days notice. Interest compounds and accrues daily at 15% per annum, or a lesser rate of 13% per annum if interest is paid monthly. The Company has a fixed and floating charge over the assets of Cerno Ltd, ranking with Stream Group Holdings Pty Limited behind an Australian retail bank, the only other secured creditor of Cerno Ltd.

If the acquisition of Stream Group Holdings Pty Limited does not occur, Stream Group Holdings Pty Limited will discharge the loan to Cerno Ltd.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2013.

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

Signed:



Date:

28 February 2014

Name:

Christian Bernecker

AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001



I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there has 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.

Lawler Partners

LAWLER PARTNERS

Chartered Accountants

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SCOTT TOBUTT

Partner

Dated: 28th February 2014

Sydney

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated Entity	Notes	31-Dec-13 \$	31-Dec-12* \$
Revenue	2	70,679	4,922
Other income	2	-	-
Government grants	2	-	-
Cost of sales		-	-
Gross profit		70,679	4,922
Sales & Marketing		-	-
Administrative expense		(195,829)	(81,146)
Remuneration Employee Share Plan		-	-
Depreciation and amortisation expense		-	-
Finance costs		-	-
Profit/(loss) from continuing operations before income tax		(125,150)	(76,224)
Income tax (expense)/benefit on continuing operations	5	336,569	-
Profit/(Loss) from continuing operations after tax		211,419	(76,224)
Profit/(loss) from discontinued operations	6	-	63,090
Net profit/(loss) for the period attributable to members		211,419	(13,134)
OTHER COMPREHENSIVE INCOME			
Reserves - Employee Share Plan		-	26,880
Foreign currency translation		-	(13,628)
Other comprehensive income for the period		-	13,252
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		211,419	118

EARNINGS PER SHARE:

Overall operations:

Basic earnings per share (cents per share)	0.579	(0.036)
Diluted earnings per share (cents per share)	0.579	(0.036)

Continuing operations:

Basic earnings per share (cents per share)	0.579	(0.209)
Diluted earnings per share (cents per share)	0.579	(0.209)

*Comparatives have been restated for discontinued operation C4i.

Should be read in conjunction with accompanying notes.

STATEMENT OF FINANCIAL POSITION

Consolidated Entity	Notes	31-Dec-13 \$	30-Jun-13 \$
ASSETS			
Current assets			
Cash and cash equivalents		2,845,573	5,260,638
Trade and other receivables		2,436,569	1,700,000
Prepayments		6,900	6,900
Total current assets		5,289,042	6,967,538
Non-current assets			
Trade and other receivables		-	1,600,000
Intangible assets		-	-
Deferred tax assets		18,810	18,810
Total non-current assets		18,810	1,618,810
TOTAL ASSETS		5,307,852	8,586,348
LIABILITIES			
Current liabilities			
Trade and other payables		240,977	443,854
Total current liabilities		240,977	443,854
Non-current liabilities			
Deferred tax liabilities		2,070	2,070
Total non-current liabilities		2,070	2,070
TOTAL LIABILITIES		243,047	445,924
NET ASSETS		5,064,805	8,140,424
EQUITY			
Issued capital		6,852,747	6,852,747
Reserves		791,350	791,350
Accumulated Profit/ (losses)		(2,579,292)	496,327
TOTAL EQUITY		5,064,805	8,140,424

Should be read in conjunction with accompanying notes.

STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Accumulated Profit (Losses)	Other Reserves	Reserves- Employee Share Plan	Total
Consolidated Entity	\$	\$	\$	\$	\$
Balance at 1 July 2013	6,852,747	496,327	791,350	-	8,140,424
Shares issued/bought back during the year	-	-	-	-	-
Profit/(Loss) for the period	-	211,419	-	-	211,419
Dividend paid	-	(3,287,038)	-	-	(3,287,038)
Other comprehensive income	-	-	-	-	-
Balance at 31 December 2013	6,852,747	(2,579,292)	791,350	-	5,064,805
Balance at 1 July 2012	7,078,963	4,118,025	642,720	74,228	11,913,936
Shares issued/bought back during the year	-	-	-	-	-
Profit/(Loss) for the period	-	(13,134)	-	-	(13,134)
Transfers to and from reserves	-	-	-	-	-
Other comprehensive income	-	-	(13,628)	26,880	13,252
Balance at 31 December 2012	7,078,963	4,104,891	629,092	101,108	11,914,054

Should be read in conjunction with accompanying notes.

STATEMENT OF CASH FLOWS

	31-Dec-13	31-Dec-12
Consolidated Entity	\$	\$
CASH FROM OPERATING ACTIVITIES:		
Receipts from customers	-	5,368,966
Payments to suppliers and employees	(207,002)	(5,024,785)
Income tax refund	-	448,293
Income taxes paid	-	-
Interest received	70,679	38,709
Finance cost paid	-	(5,489)
Net cash provided by (used in) operating activities	(125,150)	825,694
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	-	(100,381)
Capitalised development costs	-	(1,157,858)
Proceeds on sale of subsidiaries	1,200,000	-
Acquisition of subsidiaries and related business assets	-	-
Net cash provided by (used in) investing activities	1,200,000	(1,258,239)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	-	-
Payment for Shares bought back	(191,704)	-
Proceeds from (repayment of) borrowings	-	-
Dividends paid	(3,287,038)	-
Net cash provided by (used in) financing activities	(3,478,742)	-
Net increase (decreases) in cash held	(2,415,065)	(432,545)
Cash at beginning of financial year	5,260,638	4,684,203
Effect on exchange rates on cash holdings in foreign currencies	-	(13,628)
Cash at end of financial period	2,845,573	4,238,030

Should be read in conjunction with accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2013 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Longreach Group Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2013, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Numerous Annual Improvement Amendments as issued by the Australian Accounting Standards Board. These amendment standards did not impact the financial performance or position of the Group. Additionally, the amendments did not impact upon disclosure in the 31 December 2013 financial statements. The Group has not elected to early adopt any other new standards or amendments that are issued but not yet effective.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial statements are presented in Australian dollars.

NOTE 2. REVENUE

	31-Dec-13	31-Dec-12
Consolidated Entity	\$	\$
Interest received	70,679	4,922
	70,679	4,922

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. OPERATING SEGMENTS

Segment Information

As no operating segments have been identified at 31 December 2013, no segmental information has been disclosed. Management has identified that segment information from proceeding periods is not of continuing significance, and thus it has not been reported separately.

NOTE 4. CONTINGENT LIABILITIES AND ASSETS

A contingent asset of up to \$2.25 million which will be received on sale transaction of C4i if C4i achieves its revenue targets for the 2014 financial year.

NOTE 5. INCOME TAX EXPENSE

	31-Dec-13	31-Dec-12
Consolidated Entity	\$	\$
Current tax expense/(refund)	-	-
Deferred tax expense	-	-
Under provision in prior periods	(336,569)	-
Total	(336,569)	-

NOTE 6. DISCONTINUED OPERATIONS

On 10 December 2012, Longreach Group announced its decision to dispose of C4i business to Exelis Inc. The sale included all the business and or assets of C4i. C4i was sold on 31 January 2013 with the approval of management and Longreach shareholders. The combined results of the discontinued operations included in the Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows are set out below.

	31-Dec-13	31-Dec-12
Profit/ (loss) after tax from discontinued operations	\$	\$
Revenue	-	4,760,889
Grant Income	-	535,620
Expenses	-	(5,324,728)
Profit/(loss) before income tax	-	(28,219)
Income tax benefit	-	91,309
Profit/(loss) from discontinued operations attributable to parent entity	-	63,090
Cash flows from discontinued operations		
Net cash inflows/ (out flows) from operating activities	-	876,480
Net cash inflows/ (out flows) from investing activities	-	(1,258,239)
Net cash inflows/ (out flows) from financing activities	-	-
Net cash inflows/ (out flows)	-	(381,759)

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. DIVIDENDS

A fully franked dividend of \$3,287,038 (\$0.09 per share) was paid on 25 October 2013.

NOTE 8. SHARE BUY BACK SCHEME

No buy-back of shares was executed during reporting period ended 31 December 2013.

NOTE 9. CHANGES IN ACCOUNTING ESTIMATES

There has been no change in the estimates since the last annual report.

NOTE 10. RELATED PARTIES

The wholly owned Group consists of LongReach Group Limited and its wholly owned controlled entities. Transactions between LongReach Group Limited and entities in the wholly owned Group Consisted of the provision of loan funds to and to the Company, charge in respect of expenditure incurred by the Company on behalf of those other entities, and, where appropriate, the payment of management fees to the Company by its controlling entities.

Transactions and balances between the Company and its subsidiary were eliminated in full in preparation of Consolidated Financial Statements of the Group.

NOTE 11. EVENTS AFTER THE BALANCE SHEET DATE

On 13 January 2014, Shareholders approved:

- the acquisition of Stream Group Holdings Pty Ltd
- The change of name to Stream Group
- The change to the nature and scale of the Company's activities
- The 1:1.5 share consolidation changing the number of shares on issue from 36,522,645 to 24,348,664.


On 14 January 2014 the Company provided a loan of \$1,000,000 to Cerno Ltd for working capital. The loan is repayable at call by the Company or repayable at any time by Cerno Ltd on 30 days notice. Interest compounds and accrues daily at 15% per annum, or a lesser rate of 13% per annum if interest is paid monthly. The Company has a fixed and floating charge over the assets of Cerno Ltd, ranking with Stream Group Holdings Pty Limited behind an Australian retail bank, the only other secured creditor of Cerno Ltd. If this acquisition of Stream Group Holdings Pty Limited does not occur, Stream Group Holdings Pty Limited will discharge the loan to Cerno Ltd.

DIRECTORS' DECLARATION

The directors of the Group declare that:

1. The financial statements and notes of the consolidated entity are in accordance with *Corporations Act 2001*, including;
 - (a) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
 - (b) Giving a true and fair view of the Group's financial position as at 31 December 2013 and the performance for the half-year ended on that date of the consolidated entity.
2. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Signed: 

Name: Christian Bernecker

Date: 28 February 2014

INDEPENDENT AUDIT REPORT



Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Stream Group Limited (Formally Longreach Group Limited), which comprises the interim statement of financial position as at 31 December 2013, the interim statement of profit or loss and other comprehensive income, interim statement of changes in equity and interim statement of cash flows for the half-year then ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Stream Group Limited (Formally Longreach Group Limited), ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Stream Group Limited (Formally Longreach Group Limited), would be in the same terms if given to the directors as at the time of this auditor's report.

INDEPENDENT AUDIT REPORT



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Stream Group Limited (Formally Longreach Group Limited) is not in accordance with the Corporations Act 2001 including.

- (i) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date;
- (ii) and complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.


LAWLER PARTNERS

Chartered Accountants


SCOTT TOBUTT
Partner

Dated: 28th February 2014

Sydney