

SKYWARDS LIMITED
(Formerly Beyond Sportswear International Limited)
ACN 108 042 593

30 August 2013

Appendix 4E
ASX Preliminary Final Report
30 June 2013

The Directors of Skywards Limited (Formerly Beyond Sportswear International Limited, the **Company**) report a Net Loss after Tax (NLAT) for FY13 of \$2.08m which compares with a (NLAT) of \$4.06m in FY12.

During the year ended 30 June 2013 the Company sought and received approval from shareholders at an Extraordinary General Meeting for the Company to spin off its key assets into an unlisted entity which was initially incorporated as a wholly-owned subsidiary of the Company and subsequently distributed to shareholders, known as BSI2 Limited. As part of the 'Spin-Off', the Company transferred its key assets to BSI2 Limited. These key assets mainly comprised the shares held in the Company's operating subsidiaries. As a result of this asset transfer, BSI2 Limited now holds all the shares in the Company's operating subsidiaries, and consequently owns the business operated by the Company prior to the spin off.

In October, the Company conducted a pro-rata rights issue to raise up to \$1.6 million. The rights issue offer closed on 13 November 2012, and \$16,495 was raised from shareholders exercising their entitlements.

In June a placement was completed seeing the allotment of 484,943,210 fully paid ordinary shares at \$0.001 per share to raise a further \$484,943.21. Also in June, the Company entered into agreements to acquire 100% of BAR Metals Pty Ltd, the holder of the Long Horse Nickel Sulphide Project and 100% of BAR Exploration Pty Ltd, the holder of the Hooley Well Project. Completion of the acquisition of the Projects remains conditional upon but not limited to a capital raising of not less than \$3,000,000 at not less than \$0.20 per share and all necessary shareholder approvals being received.

This report is based on the Financial Report which is in the process of being audited. The audit is expected to contain an emphasis of matter for the audit opinion.

Lodged with the ASX under Listing Rule 4.3A.



Mathew Walker
Chairman

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Appendix 4E Preliminary Final Report

Name of entity

SKYWARDS LIMITED (Formerly Beyond Sportswear International Limited)

ABN or equivalent company reference:	41 108 042 593
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1. Reporting period

Preliminary report for the financial year ended	30 June 2013
Previous corresponding period is the financial year ended	30 June 2012

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities <i>(item 2.1)</i>	down	79.9%	to	2,983
Profit from ordinary activities after tax attributable to members <i>(item 2.2)</i>	up	48.8%	to	(2,079)
Net profit for the period attributable to members <i>(item 2.3)</i>	up	48.8%	to	(2,079)

Dividends <i>(item 2.4)</i>	Amount per security	Franked amount per security
Interim dividend	Nil	Nil
Final dividend	Nil	Nil
Record date for determining entitlements to the dividend <i>(item 2.5)</i>	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable the figures to be understood *(item 2.6)*:

Refer attached Preliminary Financial Report for the year ended 30 June 2013.

3. **Income Statement** (*item 3*)

Refer attached Preliminary Financial Report for the Year ended 30 June 2013

4. **Balance Sheet** (*item 4*)

Refer attached Preliminary Financial Report for the Year ended 30 June 2013

5. **Statement of Cash Flows** (*item 5*)

Refer attached Preliminary Financial Report for the Year ended 30 June 2013

6. **Dividends** (*item 6*)

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2013	Not Applicable	Not Applicable
Final dividend – year ended 30 June 2013	Not Applicable	Not Applicable

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (<i>each class separately</i>)	N/A	N/A
Preference securities (<i>each class separately</i>)	N/A	N/A
Other equity instruments (<i>each class separately</i>)	N/A	N/A
Total	N/A	N/A

7. **Details of dividend or distribution reinvestment plans in operation are described below** (*item 7*):

There is no dividend reinvestment plan in place

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

8. Statement of retained earnings (*item 8*)

	Consolidated	
	2013 \$'000	2012 \$'000
Balance at the beginning of year	(31,538)	(27,557)
Net profit attributable to members of the parent entity	(2,079)	(3,981)
Total available for appropriation		(31,538)
In specie distribution	(6,873)	0
Capital reduction	39,991	0
Balance at end of year	(499)	(31,538)

9. Net tangible assets per security (*item 9*)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.00005	\$(0.001)

10. Details of entities over which control has been gained or lost during the period: (*item 10*)

Control gained over entities

Name of entities (*item 10.1*)

None

Date(s) of gain of control (*item 10.2*)

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (*item 4.3*)

Loss of control of entities

Name of entities (*item 10.1*)

Kombat Pty Ltd; Beyond Sportswear Pty Ltd; Kea Australia Pty Ltd; Steve Rolton Agencies Pty Ltd; Kea China Pty Ltd; Beyond Sportswear International (Barbados); Kea Designer Sportswear (UK) Pty Ltd and Primary Sports International Pty Ltd.

Date(s) of loss of control (*item 10.2*)

31 October 2012

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (*item 10.3*).

\$'000

\$(1,580)

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (*item 4.3*)

\$'000

\$(684)

11. Details of associates and joint venture entities *(item 11)*

Name of associate or joint venture entity *(item 11.1)* % Securities held *(item 11.2)*

N/A	N/A
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Aggregate share of profits (losses) of associates and joint venture entities *(item 11.3)*

Group's share of associates' and joint venture entities':	2013	2012
	\$	\$
Profit (loss) from ordinary activities before tax	Nil	Nil
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax	Nil	Nil
Adjustments		
Share of net profit (loss) of associates and joint venture entities	Nil	Nil

12. Significant information relating to the entity's financial performance and financial position.

Refer attached Preliminary Financial Report for the year ended 30 June 2013.

13. The financial information provided in the Appendix 4E is based on the preliminary financial report (attached), which has been prepared in accordance with Australian accounting standards *(item 13)*.

14. Commentary on the results for the period.

Refer attached preliminary Financial Report for the year ended 30 June 2013.

15. Information on Audit.

The full year report is based on financial accounts currently in the process of being audited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2013

	2013	2012
	\$'000	\$'000
Revenue	2,983	14,872
Changes in inventories of finished goods and work in progress	0	(889)
Raw materials and consumables used	(2,385)	(7,274)
Royalty expenses	0	(97)
Employee benefits expense	(949)	(2,730)
Occupancy expenses	(118)	(373)
Event expenses	0	0
Advertising expenses	0	(73)
Freight expenses	(46)	(243)
Travel expenses	0	(125)
Depreciation and amortisation expenses	(192)	(617)
Professional fees	(811)	(877)
Finance costs	(151)	(701)
Other expenses	(410)	(634)
Write down of goodwill, brands and other	0	(4,210)
Profit/ (Loss) before tax	(2,079)	(3,981)
Income tax benefit	0	0
Profit / (Loss) for the year from Continuing Operations	(2,079)	(3,981)
PROFIT/(LOSS) FOR THE YEAR	(2,079)	(3,981)
Other comprehensive income		
Exchange differences on translating foreign operations	(96)	(83)
Other comprehensive income for the year, net of tax	(96)	(83)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	(2,175)	(4,064)
Earnings per share		
Basic (cents per share)	(0.07)	(0.13)
Diluted (cents per share)	(0.07)	(0.13)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	2013 \$'000	2012 \$'000
Assets		
Current assets		
Cash and bank balances	76	115
Trade and other receivables	0	2,713
Inventories	0	3,003
Other assets	39	556
Total current assets	115	6,387
Non-current assets		
Deferred tax assets	0	4,680
Other financial assets	0	75
Property plant and equipment	0	1,619
Goodwill	0	3,705
Other intangible assets	0	9,337
Total non-current assets	0	19,416
Total assets	115	25,803
Current liabilities		
Trade payables	113	2,644
Other payables and accruals	0	1,477
Bank secured loans	0	1,518
Finance lease liabilities	0	17
Provisions	0	368
Total current liabilities	113	6,024
Non-current liabilities		
Bank secured loans	0	3,825
Shareholder and related party loans	0	4,760
Other non-current payables and accruals	0	2,493
Provisions	0	152
Total non-current liabilities	0	11,230
Total liabilities	113	17,254
Net assets	2	8,549
Equity		
Issued capital	501	39,991
Reserves	0	96
Accumulated losses	(499)	(31,538)
Total equity	2	8,549

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2013

	Share Capital \$'000	Share Option Reserve \$'000	Foreign Currency Translation Reserve \$'000	Retained Earnings \$'000	Attributable to equity holders of the parent \$'000	Total \$'000
Balance at 1 July 2011	39,991	0	179	(27,557)	12,613	12,613
Profit/(loss) for the year	0	0	0	(3,981)	(3,981)	(3,981)
Other comprehensive income/ (loss) for the year	0	0	(83)	0	(83)	(83)
Total comprehensive profit for the year	0	0	(83)	(3,981)	(4,064)	(4,064)
Balance at 30 June 2012	39,991	0	96	(31,538)	8,549	8,549
Balance at 1 July 2012	39,991	0	96	(31,538)	8,549	8,549
Profit/ (loss) for the year	0	0	0	(2,079)	(2,079)	(2,079)
Other comprehensive income/(loss) for the year	0	0	(96)	0	(96)	(96)
Total comprehensive income for the year	0	0	(96)	(2,079)	(2,175)	(2,175)
Issue of shares	501	0	0	0	501	501
In specie distribution	0	0	0	(6,873)	(6,873)	(6,873)
Capital reduction	(39,991)	0	0	39,991	0	0
Balance at 30 June 2013	501	0	0	(499)	2	2

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2013

	2013 \$'000	2012 \$'000
Cash flows from operating activities		
Receipts from customers	5,416	14,085
Payments to suppliers and employees	(6,536)	(14,345)
Finance costs	(151)	(701)
Other income	0	20
Net cash provided by / (used in) operating activities	<u>(1,271)</u>	<u>(949)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	0	(406)
Proceeds from sale of plant and equipment	4	100
Payments for intangible assets	0	(224)
Purchase of businesses	0	(234)
Net cash used in investing activities	<u>4</u>	<u>(764)</u>
Cash flows from financing activities		
Proceeds from issue of shares	501	0
Proceeds from unsecured and shareholder loans	1,133	1,597
Repayment of secured borrowings	(400)	0
Proceeds/(repayment) from/of secured bank long term loan	-	343
Payments for finance lease liabilities	(6)	(155)
Net cash provided by financing activities	<u>1,228</u>	<u>1,785</u>
Net increase in cash and cash equivalents	(39)	72
Cash and cash equivalents at the beginning of financial year	115	43
Cash and cash equivalents at end of financial year	<u>76</u>	<u>115</u>