

# Strathfield Group Limited

ACN 053 687 728

Financial Report

For the Half Year Ended 31 December 2011

Current Reporting Period: Financial period ended 31 December 2011

Previous Corresponding Period: Financial period ended 31 December 2010

# Strathfield Group Limited

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This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by Strathfield Group Limited during the half-year reporting period, and subsequent period, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

# Strathfield Group Limited

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## Directors' Report

The directors of Strathfield Group Limited submit herewith the financial report for the half-year ended 31 December 2011. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

### Directors

The names of the directors who held office during and since the end of the half-year, except as otherwise noted, are:

#### Name

Vaz Hovanesian (Chairman)

Zac Karlaftis (Non-executive Director)

Neil Gibson (Non-executive Director)

### Review of Operations

The consolidated net profit for the period was \$4.143 million. (2010: \$882,577)

### Results summary

The summary of results for the half-year ended 31 December 2011 is as follows:

Operating Revenue:	\$5.736 million
EBITDA	\$4.180 million
EBIT	\$4.180 million
NPAT	\$4.143 million

### Outlook

The Board of Strathfield Group Limited announces that Net Profit after Tax (NPAT) for the 6 months ended 31 December 2011 was \$4.143 million (2010 \$0.883 million). The increase in NPAT is attributable to the write back of payables arising from the voluntary administration entered into on 17 October 2011 in the sum of \$7.7 million.

# Strathfield Group Limited

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## Significant events during the year

### (i) Application for Delisting

On 1 August 2011 the Consolidated Entity advised that the Australian Securities Exchange had granted conditional approval for the Consolidated Entity to delist its securities. The delisting is subject to the following terms.

- The request for removal of the Company from the official list of ASX is approved by an ordinary resolution of shareholders of the Company.
- The removal shall not take place any earlier than two months after the date on which the resolution approving the removal is passed.
- The notice of meeting sets out clearly the timetable that will be followed for removal.

The Company did not proceed with delisting.

### (ii) Voluntary Administration

On Monday, 17 October 2011, the Director's resolved to place Strathfield Group Limited (SGL) into Voluntary Administration and appointed Mr Andrew Wily and David Hurst of Armstrong Wily, Chartered Accountants, as external administrators.

By release to the market on 3 October 2011 SGL advised that following the lodgement on 31 August 2011 of its Preliminary Final accounts for the Year Ended 30 June 2011 that it intended to restructure the Strathfield Group immediately. The Preliminary Final Accounts showed a loss of \$12.372 Million, with approximately \$8.3 Million arising from Impairments and Provisions, and the Board believed that the Group's operations were not viable in their current form and structure.

As stated in the Company's Preliminary Final Report, the loss was impacted by two events. One being the discontinuance of the Equipment Business which was a consequence of continuing difficulties in the securitisation market leading to the withdrawal of financing facilities and the eventual closure of that business and the other being the continuing deterioration of the already difficult retail market.

### (iii) Cessation of Master Dealer Agreement

Optus notified the Administrators and the Company on Friday 18 November 2011, that it had terminated the MDA with immediate effect. This was despite Strathfield providing, on Optus' request, what it considered a realistic and achievable forward plan to Optus and in light of the renewal by Optus of the MDA of 18 August 2010.

Optus claimed that the Master Dealer Agreement ('MDA') with Strathfield provided the right to Optus to terminate the MDA in the event of an act of insolvency. Whilst this view was technically correct, the Director's, and Administrator were somewhat surprised by this course of action in light of Optus allowing the Consolidated Entity to continue trading pursuant to the MDA for a period of one month following the appointment of the administrators on 17 October 2011.

### (iv) Deed of Company Arrangement (DOCA)

At a meeting of Creditors held on 21 November, the Creditors of Strathfield voted to approve a DOCA. The DOCA was executed on Thursday, 1st December 2011. Following the execution of the DOCA, control of Strathfield returned to the Directors and Management. The DOCA includes a Deed Fund of approximately \$650,000, which will be applied in the first instance to cover the Administrators' costs, with the balance applied to employees as priority creditors and any remaining amounts to unsecured creditors. The deed funds are to be provided by the secured creditor, who has agreed not to participate in any distribution.

Despite the cancellation of the MDA, the approval of the DOCA by the Creditors of Strathfield provides an opportunity for the Company to go forward with little or no external debt on its Balance Sheet, with the exception of the debt owed to the secured creditor. This may enable the Company to seek fresh capital or complementary businesses to acquire.

# Strathfield Group Limited

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## **(v) Closure of Remaining Stores**

As a result of Optus' termination of the MDA the Directors were of the view that insufficient cash flows would be derived from non-telephony operations and as a result the decision was made to close the remaining stores with immediate effect, except for 5 franchised stores, which continue to operate independently with no obligations on the Consolidated Entity.

## **(vi) Liquidation Basis of Accounting**

As a result of the Consolidated Entity's decision to close stores following Optus terminating the MDA the liquidation basis of accounting has been adopted for the financial statements of the Consolidated Entity for the year ended 30 June 2011.

Under the liquidation basis of accounting, assets are stated at their estimated net realisable value, and liabilities are stated at their estimated settlement amounts, and the relevant estimates will be periodically reviewed and adjusted as appropriate.

Assets and liabilities included in the financial statements of the Consolidated Entity are stated on the following bases;

- Items of property, plant and equipment and inventories are reflected at net realisable values which are based on the expected net sales proceeds to be received from the scrap sales of these assets,
- Intangible assets are recognised at their net realisable values based on cash flows expected from their use,
- Trade receivables and other receivables are stated at their recoverable amounts, which are the estimated net cash proceeds to be received from the debtors,
- Cash and bank balances are presented at face value, and
- Trade payables, other payables, accruals and provisions are stated at estimated settlement amounts.

Impairment charges recognised in the 30 June 2011 financial report as a result of the liquidation basis of accounting were,

- Intangible assets                      \$12.812 million
- Trade receivables                      \$1.391 million
- Plant and equipment                      \$81 thousand
- Inventory                                  \$0.794 million

The liquidation basis of accounting is still applied for the financial report of the half year ended 31 December 2011.

## **Subsequent Events**

Since the end of the Full Year there has been the following significant events that will or have affected the operations of the Strathfield Group going forward.

### **(i) Administration of Strathfield Equipment Group (SEG)**

Following on from the cessation of the activities of SEG in April 2011, as a result of the withdrawal of finance, SEG entered into Voluntary Administration on 31 October 2012 with a view to completing the reorganisation of the Consolidated Entity's activities. A DOCA was executed on 4 April 2013 and the terms of the deed provide for payments of \$30,000 primarily for the purposes of satisfying the Deed Administrator's remuneration. The DOCA was completed on 4 September 2014 when the Deed Administrator satisfied the terms of the deed and presented final accounts and statements.

### **(ii) Removal from Official Quotation**

On 30 August 2013 the Australian Stock Exchange advised, pursuant to listing rule 17.5, the removal from the official list of the securities of the Company for failure to pay annual listing fees.

# Strathfield Group Limited

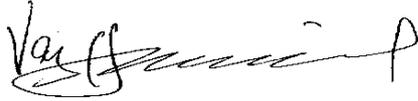
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## **Auditor's Independence Declaration under Section 307C of The Corporations Act 2001**

The auditor's independence declaration is set out on page 7 and forms part of the Directors' Report for the half-year period ended 31 December 2011.

Signed in accordance with a resolution of the directors.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Vaz Hovanesian', written over a horizontal line.

Mr Vaz Hovanesian  
Chairman  
Sydney, Friday, 31 July 15

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W [www.grantthornton.com.au](http://www.grantthornton.com.au)

**Auditor's Independence Declaration  
To The Directors of Strathfield Group Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Strathfield Group Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

*Grant Thornton*

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P J Woodley  
Partner - Audit & Assurance

Sydney, 31 July 2015

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## **Independent Auditor's Review Report To the Members of Strathfield Group Limited**

We have reviewed the accompanying half-year financial report of Strathfield Group Limited ("Company"), which comprises the consolidated financial statements being the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

### **Directors' responsibility for the half-year financial report**

The directors of the Company 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 controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. Because of the matters described in the Basis for Disclaimer of Conclusion paragraphs, however, we were not able to obtain sufficient appropriate review evidence to provide a basis for conclusion.

### **Independence**

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

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**Basis for Disclaimer of Conclusion**

We have been unable to obtain sufficient appropriate audit evidence on the books and records and the basis of accounting of the consolidated entity. Specifically, we have been unable to satisfy ourselves on the following areas:

- I. Statement of comprehensive income – due to the consolidated entity entering into administration during the period and the lack of books and records, sufficient and appropriate review evidence was unable to be obtained to support the statement of comprehensive income during the period.
- II. Journal entries – we have been unable to obtain a listing of journal entries made during the period given the licence supporting the Company's accounting package was cancelled during the period.
- III. Other assets – included within the other assets balance at 31 December 2011 is \$441,829 paid to BRI Ferrier as the administrator of the consolidated entity's first Deed of Company Arrangement. We were unable to obtain a confirmation of this balance from the administrator as at 31 December 2011.
- IV. Consolidated Statement of Cash Flows – due to the consolidated entity entering into administration during the period and the lack of books and records, sufficient and appropriate review evidence was unable to be obtained to support the cash flow from operations during the period.

As a result of these matters, we were unable to determine whether any adjustments might have been necessary in respect of the elements making up the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows, and related notes and disclosures thereto.

**Disclaimer of Conclusion**

Based on our review, which is not an audit, because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraphs above, we have not been able to obtain sufficient appropriate evidence to provide a basis to form a conclusion.

Accordingly, we do not express conclusion on the financial report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P J Woodley  
Partner - Audit & Assurance

Sydney, 31 July 2015

# Strathfield Group Limited

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## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set on pages 10 to 22 are in accordance with the Corporations Act 2001, including,
  - (a) Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and if its performance for the half-year period ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors, pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Mr Vaz Hovanesian  
Chairman

Sydney, Friday, 31 July 15

# Strathfield Group Limited

## Consolidated Statement of Comprehensive Income

For the Half Year Ended 31 December 2011

	<b>Consolidated</b>	
	<i>Half year ended</i> <b>31-Dec-11</b>	<i>Half year ended</i> <b>31-Dec-10</b>
	\$	\$
<b>Discontinuing operations</b>		
Sales revenue	5,736,396	25,762,577
Cost of sales	(4,600,488)	(16,235,000)
Gross profit	1,135,908	9,527,577
Other income	1,506,830	3,000
Write back of payables arising from DOCA	7,723,612	-
Selling and distribution expense	(2,022,294)	(3,066,000)
Marketing expense	(35,072)	(356,000)
Occupancy expense	(1,105,104)	(1,577,000)
Administration expenses	(2,972,583)	(2,367,000)
Finance costs	(37,292)	(577,000)
Gain on debt-to-equity swap	-	319,000
Net gain on assumption of franchised store	-	270,000
Depreciation & Amortisation expense	-	(1,294,000)
Impairment expenses	(50,680)	-
<b>Profit from continuing operations before income tax</b>	<b>-</b>	
<b>Profit from discontinuing operations before income tax</b>	<b>4,143,325</b>	<b>882,577</b>
Income tax expense	-	-
<b>Profit for the period</b>	<b>4,143,325</b>	<b>882,577</b>
Other comprehensive income	-	-
Total comprehensive income for the period	<b>4,143,325</b>	<b>882,577</b>
Basic and diluted earnings per share (cents per share)	0.002	0.0003

These consolidated financial statements should be read in conjunction with the accompanying notes.

# Strathfield Group Limited

## Consolidated Statement of Financial Position

As at 31 December 2011

	<b>31-Dec-11</b>	<b>30-Jun-11</b>
	\$	\$
Cash assets	273	172,509
Receivables	-	
Lease receivables	-	
Inventories	-	
Other assets	8 460,449	1,287,765
<b>Total Current Assets</b>	<b>460,722</b>	<b>1,460,274</b>
Receivables	-	
Lease receivables	-	
Plant and equipment	-	
Deferred tax assets	-	
Intangible assets	-	
<b>Total Non-current assets</b>	<b>-</b>	
<b>Total Assets</b>	<b>460,722</b>	<b>1,460,274</b>
Trade and other payables	9 1,431,816	16,266,428
Provisions	-	1,271,674
Other liabilities	10 10,999,477	36,068
<b>Total Current Liabilities</b>	<b>12,431,293</b>	<b>17,574,170</b>
Payables	-	
Provisions	-	
<b>Total Non Current Liabilities</b>	<b>-</b>	
<b>Total Liabilities</b>	<b>12,431,293</b>	<b>17,154,170</b>
<b>Net Assets</b>	<b>(11,970,571)</b>	<b>(16,113,896)</b>
Equity		
Contributed equity	18,890,475	18,890,475
Accumulated losses	(31,771,828)	(35,915,153)
Common control reserve	910,782	910,782
<b>Total Equity</b>	<b>(11,970,571)</b>	<b>(16,113,896)</b>

These consolidated financial statements should be read in conjunction with the accompanying notes.

# Strathfield Group Limited

## Consolidated Statement of Changes in Equity

For the Half-Year ended 31 December 2011

	Contributed equity	Accumulated losses	Common control reserve	Total
	\$	\$	\$	\$
Consolidated entity				
<b>Balance at 1 July 2010</b>	<b>18,677,675</b>	<b>(4,773,834)</b>	<b>910,782</b>	<b>14,814,623</b>
Total comprehensive income for the period	-	882,577	-	882,577
Total comprehensive income	-	882,577	-	882,577
Shares issued	212,800	-	-	212,800
<b>Balance at 31 December 2010</b>	<b>18,890,475</b>	<b>(3,891,257)</b>	<b>910,782</b>	<b>15,910,000</b>
<b>Balance at 1 July 2011</b>	<b>18,890,475</b>	<b>(35,915,153)</b>	<b>910,782</b>	<b>(16,113,896)</b>
Total comprehensive income for the period	-	4,143,325	-	4,143,325
Total comprehensive income	-	4,143,325	-	4,143,325
<b>Balance at 31 December 2011</b>	<b>18,890,475</b>	<b>(31,771,828)</b>	<b>910,782</b>	<b>(11,970,571)</b>

These consolidated financial statements should be read in conjunction with the accompanying notes.

# Strathfield Group Limited

## Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2011

	<i>Half year ended</i>	<i>Half year ended</i>
	<b>31-Dec-11</b>	<b>31-Dec-10</b>
	\$	\$
<b><i>Cash Flows From Operating Activities</i></b>		
Receipts from customers	7,967,549	26,387,000
Payments to suppliers and employees	(8,102,493)	(24,105,000)
Interest received		15,000
Interest and other costs of finance paid	(37,292)	(40,000)
<b>Net cash provided by operating activities</b>	<b>(172,236)</b>	<b>2,257,000</b>
<b><i>Cash Flows From Investing Activities</i></b>		
Payment for plant and equipment	-	(296,000)
Cash disposed via disposal of businesses	-	-
Payment for intangible assets	-	(15,000)
<b>Net cash flows used in investing activities</b>	<b>-</b>	<b>(311,000)</b>
<b><i>Cash Flows From Financing Activities</i></b>		
Repayment of borrowings	-	(1,868,000)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>(1,868,000)</b>
<b><i>Net (Decrease)/Increase In Cash Held</i></b>	<b>(172,236)</b>	<b>78,000</b>
Cash and cash equivalent at the beginning of the period	172,509	731,000
<b>Cash and cash equivalent at the end of the period</b>	<b>273</b>	<b>809,000</b>

These consolidated financial statements should be read in conjunction with the accompanying notes.

# Strathfield Group Limited

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## Notes to the Financial Statements for the Half Year Ended 31 December 2011

### **1. Significant Accounting Policies**

#### **(a) Statement of Compliance**

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the Corporations Act 2001, and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard.

The half-year financial report does not include all notes of the type normally included in an annual financial report. It is recommended the half year financial report be read in conjunction with the 30 June 2011 annual financial report and with any public announcements made by Strathfield Group Limited during the half year ended 31 December 2011 in accordance with the continuous disclosure obligations of the ASX listing rules.

#### **(b) Significant Accounting Policies**

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the consolidated entity's 2011 annual financial report for the financial year ended 30 June 2011. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### **(c) Liquidation basis of accounting**

As a result of the Consolidated Entity's decision to close stores as a result of Optus terminating the MDA the liquidation basis of accounting has been adopted for the financial statements of the Consolidated Entity for the year ended 30 June 2011, and half year ended 31 December 2011.

Under the liquidation basis of accounting, assets are stated at their estimated net realisable value, and liabilities are stated at their estimated settlement amounts, and the relevant estimates will be periodically reviewed and adjusted as appropriate.

Assets and liabilities included in the financial statements of the Group are stated on the following bases;

- Items of property, plant and equipment and inventories are reflected at net realisable values which are based on the expected net sales proceeds to be received from the scrap sales of these assets,
- Trade receivables and other receivables are stated at their recoverable amounts, which are the estimated net cash proceeds to be received from the debtors,
- Cash and bank balances are presented at face value, and
- Trade payables, other payables, accruals and provisions are stated at estimated settlement amounts.

# Strathfield Group Limited

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## **2. Significant Items**

### **(i) Application for Delisting**

On 1 August 2011 the Consolidated Entity advised that the Australian Securities Exchange had granted conditional approval for the Consolidated Entity to delist its securities. The delisting is subject to the following terms.

- The request for removal of the Company from the official list of ASX is approved by an ordinary resolution of shareholders of the Company.
- The removal shall not take place any earlier than two months after the date on which the resolution approving the removal is passed.
- The notice of meeting sets out clearly the timetable that will be followed for removal.

The Company did not proceed with delisting at this stage.

### **(ii) Voluntary Administration**

On Monday, 17 October 2011, the Director's resolved to place Strathfield Group Limited (SGL) into Voluntary Administration and appointed Mr Andrew Wily and David Hurst of Armstrong Wily, Chartered Accountants, as external administrators.

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Optus claimed that the Master Dealer Agreement ('MDA') with Strathfield provided the right to Optus to terminate the MDA in the event of an act of insolvency. Whilst this view was technically correct, the Director's, and Administrator were somewhat surprised by this course of action in light of Optus allowing the Consolidated Entity to continue trading pursuant to the MDA for a period of one month following the appointment of the administrators on 17 October 2011.

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## **(v) Closure of Remaining Stores**

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## **(vi) Liquidation Basis of Accounting**

As a result of the Consolidated Entity's decision to close stores following Optus terminating the MDA the liquidation basis of accounting has been adopted for the financial statements of the Consolidated Entity for the year ended 30 June 2011.

Under the liquidation basis of accounting, assets are stated at their estimated net realisable value, and liabilities are stated at their estimated settlement amounts, and the relevant estimates will be periodically reviewed and adjusted as appropriate.

Assets and liabilities included in the financial statements of the Consolidated Entity are stated on the following bases;

- Items of property, plant and equipment and inventories are reflected at net realisable values which are based on the expected net sales proceeds to be received from the scrap sales of these assets,
- Intangible assets are recognised at their net realisable values based on cash flows expected from their use,
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- Cash and bank balances are presented at face value, and
- Trade payables, other payables, accruals and provisions are stated at estimated settlement amounts.

Further Impairment charges recognised in the 30 June 2011 financial report as a result of the liquidation basis of accounting are,

- |                       |                  |
|-----------------------|------------------|
| • Intangible assets   | \$12.812 million |
| • Trade receivables   | \$1.391 million  |
| • Plant and equipment | \$81 thousand    |
| • Inventory           | \$0.794 million  |

# Strathfield Group Limited

## 3. Income Tax

	Consolidated	
	31-Dec-11	30-Jun-10
	\$	\$
<b>(a) Tax expense comprises:</b>		
Current tax income in respect of current year	1,242,996	293,000
Effect of non-temporary differences	-	1,189,000
Effect of temporary differences	(381,502)	156,000
Effect of initial recognition of temporary differences	-	865,000
Benefit of tax losses recognised	-	(1,638,000)
Effect of commercial debt forgiveness	(2,394,184)	-
Recognition of previously unutilised tax losses	-	890,000
Current income tax	1,532,690	
Total tax expense	-	1,755,000
<b>Unrecognised deferred tax balances</b>		
The following deferred tax assets have not been brought to account as assets:		
Tax losses – revenue	18,737,086	16,161,000
Temporary differences	32,988,300	22,336,000
	51,725,386	38,497,000
	<b>31-Dec-11</b>	<b>30-Jun-10</b>
	<b>\$</b>	<b>\$</b>
<b>(b) the prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense as follows;</b>		
Profit/(loss) from continuing operations before income tax	4,143,325	977,000
Income tax calculated at 30%	1,242,996	293,000
Add/less		
Amortisation of airtime agreement	-	1,087,000
Effect of non-temporary differences	-	102,000
Effect of temporary differences	(381,502)	156,000
Benefit of tax losses recognised	-	(1,638,000)
Recognition of previously unutilised tax losses	-	890,000
Effect of commercial debt forgiveness	(2,394,184)	-
Current income tax	1,532,690	-
Benefit of tax losses and temporary differences not brought to account	-	-
	-	1,755,000

# Strathfield Group Limited

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## **4. Segment information**

The consolidated entity's operations are organised and managed according to the nature of the products and services they provide. The retail segment is identified as the sale of retail goods and services via the Strathfield branded store network consisting of both company and franchised stores. Franchise fees deriving from services provided to franchisees are included in this segment. The business segment is recognised as the sales of office consumables and associated services to the Small and Medium Business sector. Geographically, the group operates in one segment, being Australia.

The Group's chief operating decision maker has been identified as the Executive Chairman.

The Executive Chairman reviews the financial and operating performance of the business primarily from an 'end user type' perspective. On this basis management has identified two main reportable segments, retail and business.

The Executive Chairman monitors the performance of these segments separately. The Executive Chairman assesses the performance of the operating segments based on a measure of revenue and profit before tax.

Sales in the retail sector are seasonal with sales volumes increasing during the Christmas period. The business segment sees declining sales volumes over the same period owing to closure of many non-retail businesses at Christmas.

The segment information provided to the Executive Chairman for the reportable segments for the half year ended 31 December 2011 is provided overleaf.

# Strathfield Group Limited

## 4. Segment Information (continued)

	Retail		Business		Eliminations		Consolidated	
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
	\$	\$	\$	\$	\$	\$	\$	\$
Segment revenue	5,736,396	18,725,000	-	7,037,000	-	-	5,736,396	25,762,557
Total consolidated revenue	5,736,396	18,725,000	-	7,037,000	-	-	5,736,396	25,762,557
Gross margin	1,135,908	424,000	-	3,555,000	-	-	1,135,908	3,979,557
Service Revenue	-	5,359,000					-	5,359,000
Other revenue	21,406,159	764,000	-	17,000	(12,175,716)	-	9,230,443	781,000
Operating expenses	(6,185,734)	(6,594,000)	(12,175,716)	(772,000)	12,175,716	-	(6,185,734)	(7,366,000)
EBITDA	16,356,333	(47,000)	(12,175,716)	2,800,000	-	-	4,180,617	2,753,500
Depreciation and amortisation	-	(95,000)	-	(141,000)	-	(1,058,000)	-	(1,294,000)
Finance costs	(37,292)	(733,000)	-	156,000	-	-	(37,292)	(577,000)
Segment result	16,319,041	(875,000)	(12,175,716)	2,815,000	-	(1,058,000)	4,143,325	882,557
Consolidated profit before income tax	16,319,041	(875,000)	(12,175,716)	2,815,000	-	(1,058,000)	4,143,325	882,557
<b>Profit after income tax</b>	<b>16,319,041</b>	<b>(875,000)</b>	<b>(12,175,716)</b>	<b>2,815,000</b>	<b>-</b>	<b>(1,058,000)</b>	<b>4,143,325</b>	<b>882,557</b>

# Strathfield Group Limited

	Retail		Business		Eliminations		Consolidated	
	31-Dec-11	30-Jun-11	31-Dec-11	30-Jun-11	31-Dec-11	30-Jun-11	31-Dec-11	30-Jun-11
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>								
Carrying amount of segment assets	460,722	1,460,487	-	11,023,148	-	(11,023,360)	460,722	1,460,275
Consolidated total assets	460,722	1,460,487	-	11,023,148	-	(11,023,360)	460,722	1,460,275
<b>Liabilities</b>								
Carrying amount of segment liabilities	12,431,293	28,813,595	-	1,891,144	-	(11,258,709)	12,431,293	17,753,170
Unallocated corporate liabilities	-	-	-	-	-	-	-	-
Consolidated total liabilities	12,431,293	28,813,595	-	1,891,144	-	(11,258,709)	12,431,293	17,573,170

# Strathfield Group Limited

## 5. Contingent Liabilities

There have been no changes in contingent liabilities since last reporting date.

## 6. Dividends

There were no dividends paid or declared during the period.

## 7. Subsequent Events

Since the end of the Full Year there has been the following significant events that will or have affected the operations of the Strathfield Group going forward.

### (i) Administration of Strathfield Equipment Group (SEG)

Following on from the cessation of the activities of SEG in April 2011, as a result of the withdrawal of finance, SEG entered into Voluntary Administration on 31 October 2012 with a view to completing the reorganisation of the Consolidated Entity's activities. A DOCA was executed on 4 April 2013 and the terms of the deed provide for payments of \$30,000 primarily for the purposes of satisfying the Deed Administrator's remuneration.

### (ii) Removal from Official Quotation

On 30 August 2013 the Australian Stock Exchange advised, pursuant to listing rule 17.5, the removal from the official list of the securities of the Company for failure to pay annual listing fees.

### (iii) Progress of Deeds of Company Arrangement

Following from SEG entering into Voluntary Administration on 31 October 2012 a DOCA was executed on 4 April 2013 to allow for the orderly reorganisation of the company. The DOCA was completed on 4 September 2014 when the Deed Administrator satisfied the terms of the deed and presented final accounts and statements.

The SGL deed was concluded on 9 March 2015 when the deed administrator lodged the necessary documentation with the Australian Securities and Investments Commission advising the arrangement had served its purpose.

## 8. Other Assets

### Consolidated

	31 Dec 2011 \$'s	30 Jun 2011 \$'s
Creditor's trusts arising under DOCA	460,449	1,287,765
	<b>460,449</b>	<b>1,287,765</b>

## 9. Trade and Other Payables

### Consolidated

	31 Dec 2011 \$'s	30 June 2011 \$'s
Trade payables	1,431,816	16,266,428
	<b>1,431,816</b>	<b>16,266,428</b>

# Strathfield Group Limited

## 10. Other Liabilities

	Consolidated	
	31 Dec 2011 \$'s	30 June 2011 \$'s
Loan from related parties	10,999,477	36,068
	<b>10,999,477</b>	<b>36,068</b>

## 11. Information on audits or review

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Australian Accounting Interpretations or other standards acceptable to ASX.

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed.

4. This report is based on accounts to which one of the following applies.

- |                          |  |                                     |  |
|--------------------------|--|-------------------------------------|--|
| <input type="checkbox"/> | The accounts have been audited.  | <input checked="" type="checkbox"/> | The accounts have been subject to review.                  |
| <input type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/>            | The accounts have <i>not</i> yet been audited or reviewed. |

5. The entity has a formally constituted Audit and Risk Management committee.