

STANFIELD FUNDS MANAGEMENT LIMITED
ABN: 54 006 222 395
APPENDIX 4D
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET:

The Directors of Stanfield Funds Management Limited are pleased to announce the results of the Company for the half-year ended 31 December 2015.

<i>Key information (extracted from interim financial report)</i>	Change (Down) / Up %	Half-Year Ended 31 December 2015 \$
Revenue from ordinary activities	(27.1)	10,912
Net (loss)/profit from ordinary activities after tax attributable to members	(108.7)	(1,170,127)
Net (loss)/profit after tax attributable to members	(108.7)	(1,170,127)

DIVIDENDS

No dividends have been paid or declared during the current financial period.

NET TANGIBLE ASSETS PER SHARE

	31 December 2015	31 December 2014
Net tangible assets per share	(1.06) cents	(19.73) cents

On behalf of the Board
STANFIELD FUNDS MANAGEMENT LIMITED



Mr. Carlyle Clump
Chairman

26 February 2016

**STANFIELD FUNDS MANAGEMENT LIMITED
AND CONTROLLED ENTITIES**

ABN 54 006 222 395

**INTERIM FINANCIAL REPORT FOR THE
HALF-YEAR ENDED 31 DECEMBER 2015**

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Contents	Page
Corporate directory	1
Directors' report	2 - 4
Auditor's independence declaration	5
Independent review report	6 - 7
Directors' declaration	8
Consolidated statement of profit or loss and other comprehensive income	9
Consolidated statement of financial position	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the interim financial statements	13 - 16

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Corporate Directory

Directors

Carlyle Clump

Non-Executive Chairman

Xavier Kris

Non-Executive Director

James Pearson

Non-Executive Director

Paul Doropoulos

Executive Director

Tom Sargant

Non-Executive Director

(resigned 9 September 2015)

Wai Liam Ng

Non-Executive Director

Company Secretary

Stephen Hewitt-Dutton

Corporate Details

Stanfield Funds Management Limited

ACN: 006 222 395

ABN: 54 006 222 395

Registered Office

Unit 10, Level 1

100 Railway Road

SUBIACO WA 6008

Telephone: +61 8 6315 3505

Facsimile: +61 8 9481 1947

Auditor

BDO Audit (WA) Pty Ltd

38 Station Street

SUBIACO WA 6008

Bankers

Bank of Queensland Ltd

SH 24 Floreat Forum

S/Centre Floreat

WA 6014

Share Registry

Automic Registry Services

Level 1

7 Ventnor Avenue

WEST PERTH WA 6005

PO Box 223, West Perth WA 6872

T: 1300 288 664

F: +61 8 9321 2337

E : info@automic.com.au

Stock Exchange Listings

The ordinary shares of Stanfield Funds Management Limited are listed on the Australian Stock Exchange (Code: SFN)

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Directors' report

Your Directors present their report together with the financial statements of the Group, being Stanfield Funds Management Limited (the Company) and its controlled entities, for the financial half-year ended 31 December 2015.

Chairman and Directors

Name	Position
Mr Carlyle Clump	Non-Executive Chairman
Mr Paul Doropoulos	Executive Director
Mr Xavier Kris	Non-Executive Director
Mr James Pearson	Non-Executive Director
Mr Wai Liam Ng	Non-Executive Director

The following Directors resigned during the half-year ended 31 December 2015 and up to the date of this Report:

Mr Tom Sargant Non-Executive Director (resigned 9 September 2015)

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the consolidated Group during the financial year were:

- Provision of investment opportunities in the Information Technology sector, with a focus on Asian markets.

Review of Operations and Financial Results

Operating Results

The consolidated loss of the Group after providing for income tax is \$1,170,127 (2014: Loss of \$1,076,575).

Financial Position

The net assets of the consolidated Group have reduced from \$999,161 at 30 June 2015 to net liabilities of (\$170,966) as at 31 December 2015.

Significant Changes in State of Affairs

1) On 16 October 2015, the Company terminated the Share Purchase Agreement to acquire Sprooki Pte Ltd. The Share Purchase Agreement was executed by the parties on 19 July 2015 with a target completion date on or about 15 November 2015.

Under the terms of the Share Purchase Agreement, there were several conditions precedent required to be satisfied by the Company and Sprooki Pte Ltd including completion of due diligence, issuance of a prospectus and raising a minimum amount of capital.

As at 16 October 2015, several items required for completion including the prospectus and notice of meeting remained unresolved and, rather than extending the deadline for completion, the Company made the decision to terminate the Share Purchase Agreement.

Directors' report (continued)

Significant Changes in State of Affairs (continued)

2) On 19 October 2015, the Company announced that it had entered into a Heads of Agreement to acquire 100% of the issued share capital of Swift Networks Pty Ltd and Wizzie Pty Ltd (Swift Networks Group).

On 15 November 2015, the Company executed a Share Purchase Agreement which provides that, subject to a number of conditions precedent, Stanfield will acquire all of the issued capital of the Swift Networks Group.

The purchase price payable by Stanfield for the acquisition of the Swift Networks Group is \$500,000 in cash plus the issue of the following securities to the vendors:

- \$4,500,000 shares calculated at the Offer Price;
- \$2,500,000 class A performance shares calculated at the Offer Price which will automatically convert into ordinary shares upon the achievement of certain milestones; and
- \$2,500,000 class B performance shares calculated at the Offer Price which will automatically convert into ordinary shares upon the achievement of certain milestones.

Completion of the Share Purchase Agreement is subject to a number of conditions, including the following:

- Stanfield being satisfied (in its absolute discretion) with its due diligence investigations into the Swift Networks Group;
- Stanfield obtaining all necessary shareholder approvals;
- Stanfield and Swift Networks Group obtaining all necessary regulatory approvals;
- Stanfield successfully raising at least \$2,700,000 under the Capital Raising at the Offer Price;
- Stanfield re-complying with Chapters 1 and 2 of the ASX Listing Rules;
- Stanfield obtaining ASX approval of the structure of the purchase price;
- Stanfield obtaining third party consents;
- Stanfield entering into employment agreements with Ryan Sofoulis, Robert Sofoulis and any other persons agreed by Stanfield and Swift Networks Group;
- There being no material adverse change in the circumstances of the Swift Networks Group prior to completion;
- There being no material adverse change in the circumstances of Stanfield prior to completion; and
- None of the Swift Networks Group's warranties becoming untrue, incorrect or misleading prior to completion.

As at the date of this report, due diligence investigations were being finalised.

Directors' report (continued)

Dividends Paid or Recommended

No dividends were paid or recommended during the half-year.

Events Occurring After Balance Date

There are no significant events that have occurred after balance date.

Auditors' Independence Declaration

A copy of the Auditors Independence Declaration under Section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2015.

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

On behalf of the Board.

STANFIELD FUNDS MANAGEMENT LIMITED



Mr. Carlyle Clump
Chairman

26 February 2016

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF STANFIELD FUNDS MANAGEMENT LIMITED

As lead auditor for the review of Stanfield Funds Management Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Stanfield Funds Management Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth, 26 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Stanfield Funds Management Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Stanfield Funds Management Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising 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 internal control 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 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 consolidated entity's financial position as at 31 December 2015 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 Stanfield Funds Management 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 Stanfield Funds Management Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 Stanfield Funds Management Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd



Dean Just

Director

Perth, 26 February 2016

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Directors' declaration

The Directors of Stanfield Funds Management Limited ('the Company') declare that:

1. The financial statements and notes, as set out on pages 9 to 16 are in accordance with the Corporations Act 2001, including:
 - a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance, as represented by the results of its operations and its cash flow, for the half-year 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.

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

On behalf of the Board.

STANFIELD FUNDS MANAGEMENT LIMITED



Mr. Carlyle Clump
Chairman

26 February 2016

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the six months ended 31 December 2015

	Note	Half-year ended 31 Dec 2015 \$	Half-year ended 31 Dec 2014 \$
Revenue from continuing operations			
Interest revenue		10,912	541
Dividend income		-	8,335
Other income		-	6,090
Total revenue and income		<u>10,912</u>	<u>14,966</u>
Expenses			
Employment costs		(336,399)	(43,565)
Occupancy expenses		-	(29,725)
Professional fees		(289,765)	(160,302)
Finance costs		-	(99,268)
General and administration expenses		(68,945)	(163,726)
Net fair value movement of available-for-sale assets		(53,663)	(158,365)
Administrator and DOCA costs		-	(436,590)
Provision for doubtful debt	4	(300,000)	-
Loss on sale of available-for-sale assets		(132,267)	-
Total expenses		<u>(1,181,039)</u>	<u>(1,091,541)</u>
Profit / (loss) from continuing operations before income tax		(1,170,127)	(1,076,575)
Income tax expense / (benefit)		-	-
Profit / (loss) after income tax for the period		<u>(1,170,127)</u>	<u>(1,076,575)</u>
Other comprehensive income / (loss) for the period			
Items that may be reclassified to profit or loss		-	217,295
Other comprehensive income / (loss) for the period		-	217,295
Total comprehensive loss for the period		<u>(1,170,127)</u>	<u>(859,280)</u>
Loss per share attributable to the members of Stanfield Funds Management Limited:			
From continuing operations:			
Basic earnings / (loss) per share (cents)		(7.24)	(22.81)
Diluted earnings / (loss) per share (cents)		(7.24)	(22.81)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

**Consolidated Statement of Financial Position
as at 31 December 2015**

	Note	31 December 2015 \$	30 June 2015 \$
Current assets			
Cash and cash equivalents	2	134,271	484,420
Trade and other receivables	3	109,454	43,354
Convertible note receivable	4	-	300,000
Available for sale financial assets	5	83,350	322,187
Total current assets		327,075	1,149,961
Total assets		327,075	1,149,961
Current liabilities			
Trade and other payables	6	498,041	150,800
Total current liabilities		498,041	150,800
Total liabilities		498,041	150,800
Net assets/(liabilities)		(170,966)	999,161
Equity			
Issued Capital	7	19,677,822	19,677,822
Reserves		109,852	109,852
Accumulated losses		(19,958,640)	(18,788,513)
Total surplus/(deficit) in equity		(170,966)	999,161

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

**Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2015**

For the period ended 31 December 2015	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
At beginning of period	19,677,822	109,852	(18,788,513)	999,161
(Loss) for the period	-	-	(1,170,127)	(1,170,127)
Other comprehensive income	-	-	-	-
<i>Total comprehensive loss for the period</i>	-	-	(1,170,127)	(1,170,127)
At end of period	19,677,822	109,852	(19,958,640)	(170,966)

For the period ended 31 December 2014	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
At beginning of period	17,211,882	109,852	(17,393,977)	(72,243)
(Loss) for the period	-	-	(1,076,575)	(1,076,575)
Other comprehensive income	-	217,295	-	217,295
<i>Total comprehensive loss for the period</i>	-	217,295	(1,076,575)	(859,280)
At end of period	17,211,882	327,147	(18,470,552)	(931,523)

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

**Consolidated Statement of Cash Flows
for the half-year ended 31 December 2015**

	Half-year ended 31 Dec 2015	Half-year ended 31 Dec 2014
	\$	\$
Cash flows from operating activities		
Cash receipts in the course of operations	-	14,425
Cash payments in the course of operations	(404,894)	(696,713)
Interest received	1,838	541
Borrowing costs paid	-	(99,268)
Net cash used in operating activities	(403,056)	(781,015)
Cash flows from investing activities		
Proceeds on sale of available for sale financial assets	52,907	-
Net cash used in investing activities	52,907	-
Cash flows from financing activities		
Drawdown of convertible notes	-	468,577
Drawdown on borrowings	-	216,806
Net cash flows from financing activities	-	685,383
Net increase/(decrease) in cash and cash equivalents	(350,149)	(95,632)
Cash, deposits and cash equivalents at the beginning of the period	484,420	180,582
Cash and cash equivalents at the end of the period	134,271	84,950

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Interim Financial Statements for the half-year ended 31 December 2015

1. Basis of Accounting and Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 *'Interim Financial Reporting'* and other mandatory professional reporting requirements. The interim financial statements were approved by the Board of Directors on 26 February 2016. The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report for the year ended 30 June 2015.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Stanfield Funds Management Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year. 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 2015, together with any public announcements made during the following half-year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

Going concern

The financial statements for the half-year ended 31 December 2015 have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the half-year ended 31 December 2015, the consolidated entity incurred a loss of \$1,170,127 and has net cash outflows from operating activities of \$403,056. As at 31 December 2015, the consolidated entity has \$134,271 (30 June 2015: \$484,420) in cash and cash equivalents and negative working capital of \$170,966 (30 June 2015: \$999,161).

As disclosed in significant changes in state of affairs above, the consolidated entity is in the process of acquiring a digital entertainment system business 'Swift Networks Group' (Swift). A condition of this acquisition is to also undertake a capital raising of a minimum of \$2,700,000, to be completed under a prospectus.

Accordingly, the Directors' acknowledge that the consolidated entity will require additional funding during the next 12 months to complete the proposed acquisition and to continue as a going concern. Should the acquisition not proceed, the ability of the consolidated entity to continue as a going concern will be dependent upon the future successful raising of funding through equity, and/ or sale of non-core assets.

The Directors have reviewed the business outlook and the assets and liabilities of the consolidated entity and are of the opinion that the use of the going concern basis of accounting is appropriate.

However, if the consolidated entity is unable to achieve the above, there is material uncertainty that may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the interim report.

The interim report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, nor the amounts or classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Notes to the Interim Financial Statements for the half-year ended 31 December 2015

2. Cash and cash equivalents

	31 December 2015	30 June 2015
	\$	\$
Cash at bank and on hand	134,271	484,420

3. Trade and other receivables

	31 December 2015	30 June 2015
	\$	\$
Current		
Trade receivables	-	6,691
Other debtors	13,638	6,199
Prepayments	84,594	3,669
GST receivable	11,222	26,795
	109,454	43,354

4. Convertible note receivable

	31 December 2015	30 June 2015
	\$	\$
Convertible note receivable – Sprooki Pte Ltd	300,000	300,000
Provision for doubtful debt	(300,000)	-
	-	300,000

The convertible note represents funding provided by the Company to expedite the regional expansion and growth strategy of Sprooki Pte Ltd, a location based mobile engagement platform as reported to the ASX on 21 May 2015. The note expires in December 2016. Interest rate of 6% applies.

During the period, the Company terminated the proposed acquisition of Sprooki Pte Ltd. At reporting date, the board has undertaken an assessment of funds lent to Sprooki Pte Ltd and has provided for them in full accordance with accounting standards.

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Notes to the Interim Financial Statements for the half-year ended 31 December 2015

5. Available-for-sale financial assets

	31 December 2015	30 June 2015
	\$	\$
Shares in Mariner Corporation Limited (ASX code: MCX)	-	88,807
Shares in Aquaint Capital Holdings Limited (ASX Code: AQU)	83,350	233,380
	<u>83,350</u>	<u>322,187</u>

The shares held in Aquaint Capital Holdings Limited ceased being held in escrow on 11 November 2015.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments: Disclosure requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (i) Level 1 - Fair value measurements were obtained using quoted prices (unadjusted) in active markets for identical assets.
- (ii) Level 2 - Fair value measurements were obtained using inputs other than quoted prices that are observable for the asset either directly (as prices) or indirectly (derived from prices).
- (iii) Level 3 - Measurements are not based on observable market data (unobservable inputs).

Gains or losses on listed investments have been included directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The available-for-sale financial assets are all Level 1 assets.

6. Trade and other payables

	31 December 2015	30 June 2015
	\$	\$
Trade payables	406,139	113,613
Other payables and accruals	91,902	37,187
	<u>498,041</u>	<u>150,800</u>

STANFIELD FUNDS MANAGEMENT LIMITED AND CONTROLLED ENTITIES

ABN: 54 006 222 395

Notes to the Interim Financial Statements for the half-year ended 31 December 2015

7. Issued Capital

	31 December 2015	30 June 2015
	\$	\$
Issued capital	19,677,822	19,677,822

(a) Movements in ordinary issued capital:

	31 December 2015	31 December 2015	30 June 2015	30 June 2015
	\$	No.	\$	No.
At the beginning of the reporting period	19,677,822	16,158,387	17,211,882	4,720,594
Shares issued during the period	-	-	2,643,449	11,437,793
Share issue costs	-	-	(177,509)	-
At the end of the reporting period	19,677,822	16,158,387	19,677,822	16,158,387

(b) Options

During the half-year ended 31 December 2015, 205,220 unlisted options were issued to unsecured creditors at nil cash consideration in accordance with the Deed of Company Arrangement.

Total unlisted options on issue as at 31 December 2015 is 9,645,220 of which 9,440,000 is exercisable at \$0.25 each on or before 30 April 2018 and 205,220 is exercisable at \$0.20 each on or before 5 August 2016.

8. Events subsequent to balance date

There are no significant events that have occurred after balance date.