

1. Company details

Name of entity:	Q Limited
ABN:	13 083 160 909
Reporting period:	For the year ended 30 June 2014
Previous period:	For the year ended 30 June 2013

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	99.7% to	3
Loss from ordinary activities after tax attributable to the owners of Q Limited	down	66.6% to	(550,345)
Loss for the year attributable to the owners of Q Limited	down	66.6% to	(550,345)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$550,345 (30 June 2013: \$1,645,363).

The consolidated entity is currently in discussions with the Australian Tax Office (ATO) over the write off of legacy tax amounts owing in some of its subsidiary companies. The Directors are seeking to qualify with the ATO as to whether the amount of \$160,854 previously owed on the companies ATO portal and now showing \$0.00, is deemed to be waived by the ATO, which would have the effect of reducing the net liability position as disclosed in the preliminary financial report of \$1,132,134 to \$971,280 on receipt of final tax clearance letters as part of a members voluntary administration of its subsidiary companies.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(1.11)	(0.53)

8 million treasury shares have been deducted in the calculation of NTA backing.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The last date(s) for receipt of election notices for the dividend or distribution plans: Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are currently in the process of being audited and are likely to contain an independent auditor's report that includes an emphasis of matter paragraph in relation to material uncertainty regarding the ability of the company and the consolidated entity to continue as going concerns.

11. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Q Limited for the year ended 30 June 2014 is attached.

12. Signed



Signed _____

Date: 29 August 2014

Jeffrey Beaumont
Chairman
Sydney

Q Limited

ABN 13 083 160 909

Preliminary Financial Report - 30 June 2014

Q Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014



		Consolidated 2014 (unaudited) \$	2013 \$
	Note		
Revenue from continuing operations	2	3	1,009
Other income	3	91,769	75,385
Expenses			
Occupancy		-	(19,344)
Administration and other related costs		(277,594)	(243,620)
Consultants		(3,243)	(146,250)
Employee benefits expense		(251,837)	(306,676)
Insurance		(9,972)	(13,074)
Travel and accommodation		(1,632)	(13,503)
Impairment of assets		(57,433)	(59,859)
Other expenses		(40,406)	(69,867)
Finance costs		-	(51,204)
Loss before income tax expense from continuing operations		(550,345)	(847,003)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(550,345)	(847,003)
Loss after income tax expense from discontinued operations	4	-	(798,360)
Loss after income tax expense for the year attributable to the owners of Q Limited	12	(550,345)	(1,645,363)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(40,592)	241
Other comprehensive income for the year, net of tax		(40,592)	241
Total comprehensive income for the year attributable to the owners of Q Limited		<u>(590,937)</u>	<u>(1,645,122)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		(590,937)	(846,762)
Discontinuing operations		-	(798,360)
		<u>(590,937)</u>	<u>(1,645,122)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Q Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014



		Consolidated 2014 (unaudited) \$ Cents	2013 \$ Cents
Note			
Earnings per share for loss from continuing operations attributable to the owners of Q Limited			
	Basic earnings per share	15 (0.54)	(0.92)
	Diluted earnings per share	15 (0.54)	(0.92)
Earnings per share for loss from discontinued operations attributable to the owners of Q Limited			
	Basic earnings per share	15 -	(0.86)
	Diluted earnings per share	15 -	(0.86)
Earnings per share for loss attributable to the owners of Q Limited			
	Basic earnings per share	15 (0.54)	(1.78)
	Diluted earnings per share	15 (0.54)	(1.78)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Q Limited
Statement of financial position
As at 30 June 2014



		Consolidated 2014 (unaudited) \$	2013 \$
	Note		
Assets			
Current assets			
Cash and cash equivalents	5	2,332	42,010
Trade and other receivables	6	3,741	249,650
Total current assets		<u>6,073</u>	<u>291,660</u>
Total assets		<u>6,073</u>	<u>291,660</u>
Liabilities			
Current liabilities			
Trade and other payables	7	1,069,453	764,103
Borrowings	8	68,754	68,754
Total current liabilities		<u>1,138,207</u>	<u>832,857</u>
Total liabilities		<u>1,138,207</u>	<u>832,857</u>
Net liabilities		<u>(1,132,134)</u>	<u>(541,197)</u>
Equity			
Issued capital	9	47,730,293	47,730,293
Treasury shares	10	(232,000)	(232,000)
Reserves	11	215,378	255,970
Accumulated losses	12	(48,845,805)	(48,295,460)
Total deficiency in equity		<u>(1,132,134)</u>	<u>(541,197)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Q Limited
Statement of changes in equity
For the year ended 30 June 2014



Consolidated	Issued capital \$	Treasury shares \$	Reserves \$	Accumulated losses \$	Total deficiency \$
Balance at 1 July 2012	47,699,047	(232,000)	255,729	(46,650,097)	1,072,679
Loss after income tax expense for the year	-	-	-	(1,645,363)	(1,645,363)
Other comprehensive income for the year, net of tax	-	-	241	-	241
Total comprehensive income for the year	-	-	241	(1,645,363)	(1,645,122)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 9)	31,246	-	-	-	31,246
Balance at 30 June 2013	<u>47,730,293</u>	<u>(232,000)</u>	<u>255,970</u>	<u>(48,295,460)</u>	<u>(541,197)</u>
Consolidated (unaudited)	Issued capital \$	Treasury shares \$	Reserves \$	Accumulated losses \$	Total deficiency \$
Balance at 1 July 2013	47,730,293	(232,000)	255,970	(48,295,460)	(541,197)
Loss after income tax expense for the year	-	-	-	(550,345)	(550,345)
Other comprehensive income for the year, net of tax	-	-	(40,592)	-	(40,592)
Total comprehensive income for the year	-	-	(40,592)	(550,345)	(590,937)
Balance at 30 June 2014	<u>47,730,293</u>	<u>(232,000)</u>	<u>215,378</u>	<u>(48,845,805)</u>	<u>(1,132,134)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Q Limited
Statement of cash flows
For the year ended 30 June 2014



		Consolidated	
		2014	2013
	Note	(unaudited)	
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		186,076	122,534
Payments to suppliers and employees (inclusive of GST)		<u>(279,688)</u>	<u>(1,198,249)</u>
		(93,612)	(1,075,715)
Interest received		3	1,009
Other revenue		53,931	-
Interest and other finance costs paid		<u>-</u>	<u>(2,903)</u>
Net cash used in operating activities		<u>(39,678)</u>	<u>(1,077,609)</u>
Cash flows from investing activities			
Proceeds from sale of businesses		<u>-</u>	<u>176,264</u>
Net cash from investing activities		<u>-</u>	<u>176,264</u>
Cash flows from financing activities			
Proceeds from issue of shares	9	-	31,246
Loans from related parties		<u>-</u>	<u>68,754</u>
Net cash from financing activities		<u>-</u>	<u>100,000</u>
Net decrease in cash and cash equivalents		(39,678)	(801,345)
Cash and cash equivalents at the beginning of the financial year		<u>42,010</u>	<u>843,355</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>2,332</u></u>	<u><u>42,010</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Going concern

The financial statements have been prepared on the going concern basis which assumes the company and the consolidated entity will have sufficient cash to pay their debts as and when they become due and payable for a period of at least 12 months from the date of issuance of these financial statements.

During the year ended 30 June 2014, the consolidated entity incurred a net loss of \$550,345 and had net cash outflows from operating activities of \$39,678. As at 30 June 2014, the consolidated entity had net liabilities of \$1,132,134 (including an amount of \$417,801 due and payable to the Australian Taxation Office).

The consolidated entity has prepared an analysis of its cash requirements for the next 12 months which indicates that the consolidated entity only has sufficient cash resources to fund its ongoing operations until October 2014, at which time a capital raising through a shareholder approved security purchase plan is intended to be carried out. This analysis assumes the continued forbearance of creditors until this time and the continued deferral of amounts due and payable to the Australian Taxation Office.

Actions taken by the directors during and since June 2014 to secure the continuation of the company and the consolidated entity as going concerns include the following:

- Investigating capital raising opportunities through a shareholder approved security purchase plan;
- Investigating investment opportunities, including negotiating a significant business acquisition, expected to be completed in December 2014;
- Drawing down on a convertible loan facility of \$100,000 to fund short-term cash flow requirements; and
- Continuing to monitor the consolidated entity's ongoing working capital requirements.

The ability of the company and the consolidated entity to continue as going concerns and to be able to pay their debts as and when they fall due is dependent upon:

- the continued forbearance of the consolidated entity's creditors to defer payment of amounts currently due and payable, including amounts currently owed to the Australian Taxation Office particularly in respect of Q FRA Pty Limited, in respect of which a winding up order has been granted; and
- the ability to successfully complete the above capital raising through a shareholder approved security purchase plan and subsequently the business acquisition presently being negotiated, in order to generate a sufficient level of profits and cash flows to meet the consolidated entity's ongoing working capital requirements.

The cash flow forecasts of the consolidated entity have assumed the continued forbearance of its creditors, and the continued deferral of amounts due and payable to the Australian Taxation Office up to such time as the proceeds from the capital raising through a shareholder approved security purchase plan are expected to be received. At such point, the Directors believe that shareholder approval will be obtained for the above business acquisition and that the business will thereafter generate sufficient cash flows to allow the consolidated entity to continue as a going concern. On this basis, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

However, in the event that the consolidated entity is not able to obtain the continued forbearance of its creditors, and the continued deferral of amounts due and payable to the Australian Taxation Office and successfully complete the fundraising and business acquisition referred to above, there is significant uncertainty as to whether the company and the consolidated entity will continue as going concerns and be able to pay their debts as and when they fall due and, therefore, whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company and the consolidated entity not continue as going concerns or be able to pay their debts as and when they fall due.

Note 2. Revenue

	Consolidated	
	2014	2013
	(unaudited)	
	\$	\$
Interest	<u>3</u>	<u>1,009</u>

Note 3. Other income

	Consolidated	
	2014	2013
	(unaudited)	
	\$	\$
Other income	<u>91,769</u>	<u>75,385</u>

Note 4. Discontinued operations

During the year ended 30 June 2012, Q Limited sold its Market United Perth operations to The Brand Agency, a division of STW Communication Group Ltd (ASX: SGN) and a significant part of its marketing business to subsidiaries of Beyond International Ltd.

Financial performance information

	Consolidated	
	2014	2013
	(unaudited)	
	\$	\$
Impairment of receivables from sale of business	-	(798,360)
Income tax expense	-	-
Loss on disposal after income tax expense	-	(798,360)
Loss after income tax expense from discontinued operations	<u>-</u>	<u>(798,360)</u>

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	2014	2013
	(unaudited)	
	\$	\$
Cash at bank	<u>2,332</u>	<u>42,010</u>

Note 6. Current assets - trade and other receivables

	Consolidated	
	2014	2013
	(unaudited)	
	\$	\$
Trade receivables	-	28,553
Other receivables	-	55,595
Deferred consideration from sale of businesses	-	138,393
Goods and services tax receivable	3,741	27,109
	<u>3,741</u>	<u>249,650</u>

Note 7. Current liabilities - trade and other payables

	Consolidated 2014 (unaudited) \$	2013 \$
Trade payables	115,420	121,185
Goods and services tax payable	45,386	-
ATO and Inland Revenue payable	502,333	379,953
Other payables and accrued expenses	406,314	262,965
	<u>1,069,453</u>	<u>764,103</u>

Note 8. Current liabilities - borrowings

	Consolidated 2014 (unaudited) \$	2013 \$
Loan - Tandem Capital	<u>68,754</u>	<u>68,754</u>

Note 9. Equity - issued capital

	2014 (unaudited) Shares	Consolidated 2013 Shares	2014 (unaudited) \$	2013 \$
Ordinary shares - fully paid	<u>102,185,934</u>	<u>102,185,934</u>	<u>47,730,293</u>	<u>47,730,293</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2012	88,857,334		47,699,047
Issue of shares	22 March 2013	<u>13,328,600</u>	\$0.00	<u>31,246</u>
Balance	30 June 2013	<u>102,185,934</u>		<u>47,730,293</u>
Balance	30 June 2014	<u>102,185,934</u>		<u>47,730,293</u>

Note 10. Equity - treasury shares

	Consolidated 2014 (unaudited) \$	2013 \$
Treasury shares	<u>(232,000)</u>	<u>(232,000)</u>

Note 11. Equity - reserves

	Consolidated 2014 (unaudited) \$	2013 \$
Foreign currency reserve	(40,351)	241
Share-based payments reserve	255,729	255,729
	<u>215,378</u>	<u>255,970</u>

Note 12. Equity - accumulated losses

	Consolidated 2014 (unaudited) \$	2013 \$
Accumulated losses at the beginning of the financial year	(48,295,460)	(46,650,097)
Loss after income tax expense for the year	(550,345)	(1,645,363)
Accumulated losses at the end of the financial year	<u>(48,845,805)</u>	<u>(48,295,460)</u>

Note 13. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 14. Events after the reporting period

On 27 July 2014, Beconwood Securities Pty Limited and various associated entities disposed of a major shareholding in the company to a related party, Dominet Digital Corporation Pty Limited and its associated entities, that now controls 19.99% of the company's voting power.

On 14 August 2014, the company executed a deed under a \$100,000 convertible note agreement put in place on 24 February 2014 with Tandem Capital Pty Limited, a company associated with director Jeff Beaumont, to assign the convertible note agreement to Tiger Domains Pty Limited, a company associated with Dominet Digital Corporation Pty Limited. The company also executed a deed on 14 August 2014 to drawdown \$100,000 from Tiger Domains Pty Ltd.

A request by Tandem Capital to allow Tiger Domains to take over Tandem's \$68,754 loan to Q Limited (plus interest) associated with the convertible note funding arrangement which was put in place on 19 March 2013, was agreed to.

No other matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 15. Earnings per share

	Consolidated 2014 (unaudited) \$	2013 \$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Q Limited	<u>(550,345)</u>	<u>(847,003)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>102,185,934</u>	<u>92,545,522</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>102,185,934</u>	<u>92,545,522</u>
	Cents	Cents
Basic earnings per share	(0.54)	(0.92)
Diluted earnings per share	(0.54)	(0.92)
	Consolidated 2014 (unaudited) \$	2013 \$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax attributable to the owners of Q Limited	<u>-</u>	<u>(798,360)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>102,185,934</u>	<u>92,545,522</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>102,185,934</u>	<u>92,545,522</u>
	Cents	Cents
Basic earnings per share	-	(0.86)
Diluted earnings per share	-	(0.86)
	Consolidated 2014 (unaudited) \$	2013 \$
<i>Earnings per share for loss</i>		
Loss after income tax attributable to the owners of Q Limited	<u>(550,345)</u>	<u>(1,645,363)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>102,185,934</u>	<u>92,545,522</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>102,185,934</u>	<u>92,545,522</u>
	Cents	Cents
Basic earnings per share	(0.54)	(1.78)
Diluted earnings per share	(0.54)	(1.78)