

A1 Investments & Resources Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	A1 Investments & Resources Ltd
ABN:	44 109 330 949
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	up	619.2% to	716,341
Loss from ordinary activities after tax attributable to the owners of A1 Investments & Resources Ltd	down	34.7% to	(1,954,969)
Loss for the year attributable to the owners of A1 Investments & Resources Ltd	down	34.7% to	(1,954,969)

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 and non-controlling interest amounted to \$1,954,969 (30 June 2013: \$2,992,094).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.14)	0.05

4. Control gained over entities

Name of entities (or group of entities)	A1R Holdings Pte. Ltd (100% owned subsidiary incorporated in Singapore) HETEC Co. Ltd (99.6% owned subsidiary incorporated in Japan)
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Date control gained	Both entities were incorporated on the 31 July 2013
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	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(197,961)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Not applicable.

A1 Investments & Resources Ltd
Appendix 4E
Preliminary final report

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

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Litigation Lending Services Partnership No. 7	25.00%	25.00%	(10,290)	(38,966)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(10,290)	(38,966)
Income tax on operating activities			-	-

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 accounts are in the process of being audited and an unqualified opinion is expected to be issued, with an emphasis of matter with respect to going concern.

A1 Investments & Resources Ltd
Appendix 4E
Preliminary final report

11. Attachments

Details of attachments (if any):

The preliminary financial report of A1 Investments & Resources Ltd for the year ended 30 June 2014 is attached.

12. Signed



Signed _____

Date: 28 August 2014

Charlie Nakamura
Director
Sydney

A1 Investments & Resources Ltd

ABN 44 109 330 949

Preliminary Financial Report - 30 June 2014

A1 Investments & Resources Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

		Consolidated	
		2014	
	Note	(unaudited)	2013
		\$	\$
Revenue	1	613,797	66,053
Expenses			
Employee benefits expense		(286,709)	-
Depreciation expense		(2,665)	(3,455)
Consultancy and professional fees		(201,966)	(208,019)
Foreign exchange losses		(17,451)	-
Share registry and listing expenses		(49,833)	(33,114)
Impairment of receivables		(750,000)	-
Guarantee settlement		-	(230,000)
Net loss on financial assets through profit or loss		(439,784)	(1,494,038)
Other expenses		(93,819)	(230,758)
Finance costs		(349,105)	(332,921)
Loss before income tax expense from continuing operations		(1,577,535)	(2,466,252)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(1,577,535)	(2,466,252)
Loss after income tax (expense)/benefit from discontinued operations		(378,268)	(525,842)
Loss after income tax expense for the year		(1,955,803)	(2,992,094)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of available-for-sale financial assets, net of tax		-	(850,553)
Foreign currency translation		(5,213)	-
Other comprehensive income for the year, net of tax		(5,213)	(850,553)
Total comprehensive income for the year		<u>(1,961,016)</u>	<u>(3,842,647)</u>
Loss for the year is attributable to:			
Non-controlling interest		(834)	-
Owners of A1 Investments & Resources Ltd		(1,954,969)	(2,992,094)
		<u>(1,955,803)</u>	<u>(2,992,094)</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		-	-
Discontinuing operations		(834)	-
Non-controlling interest		(834)	-
Continuing operations		(1,576,701)	(3,316,806)
Discontinuing operations		(383,481)	(525,841)
Owners of A1 Investments & Resources Ltd		(1,960,182)	(3,842,647)
		<u>(1,961,016)</u>	<u>(3,842,647)</u>

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

A1 Investments & Resources Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

		Consolidated	
	Note	2014	2013
		(unaudited)	
		\$	\$
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	9	(0.165)	(0.541)
Diluted earnings per share	9	(0.037)	(0.541)
Earnings per share for loss from discontinued operations attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	9	(0.039)	(0.115)
Diluted earnings per share	9	(0.009)	(0.115)
Earnings per share for loss attributable to the owners of A1 Investments & Resources Ltd			
Basic earnings per share	9	(0.204)	(0.657)
Diluted earnings per share	9	(0.047)	(0.657)

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

A1 Investments & Resources Ltd
Statement of financial position
As at 30 June 2014

		Consolidated	
		2014	
	Note	(unaudited)	2013
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	2	137,742	71,320
Trade and other receivables		3,027	48,024
Financial assets at fair value through profit or loss		188,056	1,299,445
Other		116,835	156,835
		<u>445,660</u>	<u>1,575,624</u>
Assets of disposal groups classified as held for sale	3	591,808	-
Total current assets		<u>1,037,468</u>	<u>1,575,624</u>
Non-current assets			
Trade and other receivables		-	750,000
Investments accounted for using the equity method		-	429,766
Available-for-sale financial assets		572,050	567,050
Property, plant and equipment		4,984	50,525
Total non-current assets		<u>577,034</u>	<u>1,797,341</u>
Total assets		<u>1,614,502</u>	<u>3,372,965</u>
Liabilities			
Current liabilities			
Trade and other payables		203,600	310,248
Borrowings	4	<u>2,592,354</u>	<u>111,378</u>
		2,795,954	421,626
Liabilities directly associated with assets classified as held for sale	5	120,579	-
Total current liabilities		<u>2,916,533</u>	<u>421,626</u>
Non-current liabilities			
Borrowings	6	-	2,722,655
Total non-current liabilities		<u>-</u>	<u>2,722,655</u>
Total liabilities		<u>2,916,533</u>	<u>3,144,281</u>
Net assets/(liabilities)		<u>(1,302,031)</u>	<u>228,684</u>
Equity			
Issued capital	7	24,902,072	24,471,771
Reserves		1,098,007	1,103,220
Accumulated losses		<u>(27,301,276)</u>	<u>(25,346,307)</u>
Equity/(deficiency) attributable to the owners of A1 Investments & Resources Ltd		(1,301,197)	228,684
Non-controlling interest		(834)	-
Total equity/(deficiency)		<u>(1,302,031)</u>	<u>228,684</u>

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

A1 Investments & Resources Ltd
Statement of changes in equity
For the year ended 30 June 2014

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 July 2012	24,358,971	1,953,773	(22,354,213)	-	3,958,531
Loss after income tax expense for the year	-	-	(2,992,094)	-	(2,992,094)
Other comprehensive income for the year, net of tax	-	(850,553)	-	-	(850,553)
Total comprehensive income for the year	-	(850,553)	(2,992,094)	-	(3,842,647)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 7)	112,800	-	-	-	112,800
Balance at 30 June 2013	<u>24,471,771</u>	<u>1,103,220</u>	<u>(25,346,307)</u>	<u>-</u>	<u>228,684</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Non-controlling interest \$	Total deficiency \$
Balance at 1 July 2013	24,471,771	1,103,220	(25,346,307)	-	228,684
Loss after income tax expense for the year	-	-	(1,954,969)	(834)	(1,955,803)
Other comprehensive income for the year, net of tax	-	(5,213)	-	-	(5,213)
Total comprehensive income for the year	-	(5,213)	(1,954,969)	(834)	(1,961,016)
<i>Transactions with owners in their capacity as owners:</i>					
Conversion of convertible notes	430,301	-	-	-	430,301
Balance at 30 June 2014	<u>24,902,072</u>	<u>1,098,007</u>	<u>(27,301,276)</u>	<u>(834)</u>	<u>(1,302,031)</u>

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

A1 Investments & Resources Ltd
Statement of cash flows
For the year ended 30 June 2014

		Consolidated	
		2014	
	Note	(unaudited)	2013
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		121,179	61,707
Payments to suppliers and employees (inclusive of GST)		<u>(1,154,072)</u>	<u>(1,631,867)</u>
		(1,032,893)	(1,570,160)
Interest received		2,104	1,570
Interest and other finance costs paid		<u>(355,042)</u>	<u>(340,300)</u>
Net cash used in operating activities		<u>(1,385,831)</u>	<u>(1,908,890)</u>
Cash flows from investing activities			
Payments for investments		(5,000)	(158,640)
Lease repayments		(10,042)	-
Payments for property, plant and equipment		(6,064)	(1,063)
Payment of other loans		-	(11,702)
Proceeds from other loans		300,000	-
Proceeds from sale of investments		<u>1,242,474</u>	<u>1,490,210</u>
Net cash from investing activities		<u>1,521,368</u>	<u>1,318,805</u>
Cash flows from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		135,537	(590,085)
Cash and cash equivalents at the beginning of the financial year		<u>71,320</u>	<u>661,405</u>
Cash and cash equivalents at the end of the financial year	2	<u><u>206,857</u></u>	<u><u>71,320</u></u>

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

A1 Investments & Resources Ltd
Notes to the financial statements
30 June 2014

Note 1. Revenue

	Consolidated	
	2014	2013
	(unaudited)	\$
	\$	\$
<i>Sales revenue</i>		
Net gain on financial assets through profit or loss	499,849	-
<i>Other revenue</i>		
Research fees	113,843	66,000
Interest	105	53
	<u>113,948</u>	<u>66,053</u>
Revenue	<u><u>613,797</u></u>	<u><u>66,053</u></u>

Note 2. Current assets - cash and cash equivalents

	Consolidated	
	2014	2013
	(unaudited)	\$
	\$	\$
Cash and cash equivalents	<u><u>137,742</u></u>	<u><u>71,320</u></u>
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	137,742	71,320
Cash and cash equivalents - classified as held for sale (note 3)	<u>69,115</u>	<u>-</u>
Balance as per statement of cash flows	<u><u>206,857</u></u>	<u><u>71,320</u></u>

Note 3. Current assets - assets of disposal groups classified as held for sale

	Consolidated	
	2014	2013
	(unaudited)	\$
	\$	\$
Cash and cash equivalents	69,115	-
Trade and other receivables	54,459	-
Financial assets at fair value through profit or loss	12,727	-
Other financial assets	419,476	-
Property, plant and equipment	<u>36,031</u>	<u>-</u>
	<u><u>591,808</u></u>	<u><u>-</u></u>

Note 4. Current liabilities - borrowings

	Consolidated 2014 (unaudited) \$	2013 \$
Other loans - secured	-	33,528
Other loans - unsecured	300,000	77,850
Convertible notes payable	2,292,354	-
	<u>2,592,354</u>	<u>111,378</u>

Convertible notes

At a noteholder meeting held on 31 March 2014, the company received approval from noteholders to amend the terms of the convertible note trust deed so that all convertible notes are converted to converting notes. At the maturity date of 30 September 2014, all the note holders will convert their holding of the notes into ordinary shares in the Company. The conversion ratio is 1 / (90% x Volume-weighted average share price ('VWAP')). Convertible notes carry interest of 12% per annum, payable half yearly. No voting rights are attached to the convertible notes.

Note 5. Current liabilities - liabilities directly associated with assets classified as held for sale

	Consolidated 2014 (unaudited) \$	2013 \$
Trade payables	17,007	-
Other payables	2,236	-
Other loans - secured	24,767	-
Other loans - unsecured	76,569	-
	<u>120,579</u>	<u>-</u>

Note 6. Non-current liabilities - borrowings

	Consolidated 2014 (unaudited) \$	2013 \$
Convertible notes payable	-	2,722,655

Refer to note 4 for further information on convertible notes.

Note 7. Equity - issued capital

	2014 (unaudited) Shares	2013 Shares	Consolidated 2014 (unaudited) \$	2013 \$
Ordinary shares - fully paid	956,141,262	478,029,040	24,902,072	24,471,771

A1 Investments & Resources Ltd
Notes to the financial statements
30 June 2014

Note 7. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2012	449,762,373		24,358,971
Conversion of fees payable	14 March 2013	18,666,667	\$0.01	84,000
Conversion of fees payable	26 June 2013	<u>9,600,000</u>	<u>\$0.00</u>	<u>28,800</u>
Balance	30 June 2013	478,029,040		24,471,771
Issue of shares on conversion of convertible notes	3 April 2014	<u>478,112,222</u>	<u>\$0.00</u>	<u>430,301</u>
Balance	30 June 2014	<u><u>956,141,262</u></u>		<u><u>24,902,072</u></u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 8. Equity - dividends

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

Note 9. Earnings per share

	Consolidated	
	2014	2013
	(unaudited)	
	\$	\$
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd	(1,577,535)	(2,466,252)
Interest on convertible notes	<u>47,877</u>	<u>-</u>
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd used in calculating diluted earnings per share	<u><u>(1,529,658)</u></u>	<u><u>(2,466,252)</u></u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	956,141,262	455,519,306
Adjustments for calculation of diluted earnings per share:		
Convertible notes	<u>3,125,937,273</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u><u>4,082,078,535</u></u>	<u><u>455,519,306</u></u>
	Cents	Cents
Basic earnings per share	(0.165)	(0.541)
Diluted earnings per share	(0.037)	(0.541)

Note 9. Earnings per share (continued)

	Consolidated	
	2014	2013
	(unaudited)	\$
	\$	\$
<i>Earnings per share for loss from discontinued operations</i>		
Loss after income tax	(378,268)	(525,842)
Non-controlling interest	834	-
	<u>(377,434)</u>	<u>(525,842)</u>
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd		
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	956,141,262	455,519,306
Adjustments for calculation of diluted earnings per share:		
Convertible notes	3,125,937,273	-
	<u>4,082,078,535</u>	<u>455,519,306</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share		
	Cents	Cents
Basic earnings per share	(0.039)	(0.115)
Diluted earnings per share	(0.009)	(0.115)
	Consolidated	
	2014	2013
	(unaudited)	\$
	\$	\$
<i>Earnings per share for loss</i>		
Loss after income tax	(1,955,803)	(2,992,094)
Non-controlling interest	834	-
	<u>(1,954,969)</u>	<u>(2,992,094)</u>
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd		
Interest on convertible notes	47,877	-
	<u>(1,907,092)</u>	<u>(2,992,094)</u>
Loss after income tax attributable to the owners of A1 Investments & Resources Ltd used in calculating diluted earnings per share		
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	956,141,262	455,519,306
Adjustments for calculation of diluted earnings per share:		
Convertible notes	3,125,937,273	-
	<u>4,082,078,535</u>	<u>455,519,306</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share		
	Cents	Cents
Basic earnings per share	(0.204)	(0.657)
Diluted earnings per share	(0.047)	(0.657)