

Quantum Energy Limited and Controlled Entities
ABN: 19 003 677 245

PRELIMINARY FINAL REPORT

Appendix 4E

**Preliminary Final Report
Financial Year ended 30 June 2014**

This information is provided under listing rule 4.3A for the year ended 30 June 2014 and includes comparative information for the year ended 30 June 2013.

Results for Announcement to the market

	Year ended 30 June 2014 \$	Year ended 30 June 2013 \$	Amount change \$	% change
Revenue from ordinary activities	32,142,985	41,985,609	(9,842,624)	(23)
Profit (Loss) from continuing operations after tax attributed to members	(4,712,684)	(332,816)	(4,379,868)	(1316)
Loss from discontinued activities after tax attributed to members	(8,927)	(75,445)	66,518	88
Profit (Loss) for the period attributed to members	(4,721,610)	(408,260)	(4,313,350)	(1057)

No dividends have been paid, declared or recommended by the Company during the year ended 30 June 2014. The consolidated profit before tax was \$ 844,000 before deferred tax assets relating to tax losses of \$ 5,230,302 were written off.

Net tangible assets per security

	As at 30 June 2014 cents	As at 30 June 2013 cents
Net tangible assets per ordinary share	1.06	0.99

Controlled entities

On 31st August 2013 the company acquired Med-X Healthcare Pty Ltd.

Associates and joint venture entities

During the year the company acquired a 50% interest in Quantum HQ.



Quantum Energy Limited

And its controlled entities

A.B.N. 19 003 677 245

APPENDIX 4E

PRELIMINARY FINAL REPORT

YEAR ENDED 30 JUNE 2014

Quantum Energy Limited
APPENDIX 4E

Preliminary Final Report

Review of Operations

The Company experienced a mixed year with the Medical Distribution Division experiencing strong growth and profitability whilst the Environmental Services Division continued to be impacted by uncertainty in the renewable energy sector. The company is pursuing a number of initiatives to increase sales in Australia and Asia for both divisions. The company was profitable prior to writing off deferred tax assets relating to tax losses.

The Medical Division continued to perform strongly in the last financial year distributing high-end medical imaging equipment in Australia and New Zealand. Quantum has formed a new division, Quantum Health Group that will consolidate the results of InSight Oceania P/L, Medishop P/L, newly formed Quantum Healthcare P/L and three new acquisitions, Med-X Healthcare P/L (acquired before 30 June,2014) , Quantum Healthcare Thailand Co. Ltd and Oncology Total Solutions Korea Co. Ltd (both acquired after 30 June,2014).

Quantum expects continued expansion and growth within the Health Group and will continue to seek new opportunities in healthcare in SE Asia in the next twelve months.

Financial position

The net assets of the consolidated group have reduced to \$ 24,784,000 as at 30 June 2014. The Directors believe that the group is in a strong and stable financial position to expand and grow its current operations.

General

There were no significant changes in the nature of the group's principal activities.

EPS and Diluted EPS

The loss per share for the current financial year was (0.46) cents as compared with a loss per share of (0.04) cents in the previous corresponding period. The diluted loss per share was (0.46) cents as compared with a loss per share of (0.04) cents in the previous corresponding period.

Factors which are likely to affect results in the future

The Company is unaware of any factors which are likely to affect results in the future.

The consolidated group operations are not significantly affected by environmental regulations except to the extent that government regulatory legislation for environmental technologies may impact the growth of sales of energy efficient products.

Control gained or lost over entities having a material effect

On 31st August 2013 the company acquired Med-X Healthcare Pty Ltd.

Audited Accounts

This report is based upon accounts that are in the process of being audited. As at 30th June, 2014 deferred tax assets relating to tax losses of \$ 5,230,302 have been written off.



Drew Townsend
Chairman of the Board
29th August 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Group	
		2014	2013
		\$ 000	\$ 000
Revenue from continuing activities	2	32,143	41,986
Cost of Sales		(18,231)	(24,313)
Employee benefits expense		(7,862)	(9,781)
Depreciation and amortisation expense – non manufacturing		(211)	(365)
Advertising and promotion expenses		(51)	(211)
Finance costs	3	(763)	(740)
Legal fees		(63)	(131)
Research and development expenditure		(249)	(555)
Travel expenses		(1,007)	(1,041)
Motor vehicle expenses		(416)	(696)
Warranty expenses		(191)	(34)
Telephones & internet		(199)	(359)
Consultants		(131)	(186)
Freight & delivery expenses		(155)	(175)
Occupancy (rent) expenses		(1,100)	(1,546)
Insurance		(219)	(220)
Profit (loss) on disposal of Renewable Energy Certificates		530	242
Fair value loss on financial assets (Renewable Energy Certificates)		(213)	(212)
Share of profit/(loss) in associate	10	442	(439)
Other expenses		(1,210)	(1,553)
(Loss) Profit from Continuing Operations before income tax		844	(329)
Income tax (expense) credit		(5,557)	(3)
Net (Loss) profit from Continuing Operations		(4,713)	(332)
(Loss) from Discontinued Operations	8	(9)	(76)
Net (Loss) profit after tax		(4,722)	(408)
Other comprehensive income			
Translation of foreign subsidiaries		(110)	677
Total comprehensive income /(loss) for the period		(4,832)	269

Earnings/(loss) per share for the loss from continuing operations attributable to the ordinary equity holders of the company

Basic earnings/(loss) per share (cents per share)	4	(0.46)	(0.03)
Diluted earnings/(loss) per share (cents per share)	4	(0.46)	(0.03)

Earnings/(loss) per share for the loss attributable to the ordinary equity holders of the company

Basic earnings/(loss) per share (cents per share)	4	(0.46)	(0.04)
Diluted earnings/ (loss) per share (cents per share)	4	(0.46)	(0.04)

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014

		Consolidated	
	Note	2014 \$ 000	2013 \$ 000
CURRENT ASSETS			
Cash and cash equivalents	5	4,440	4,338
Trade and other receivables		4,819	3,738
Inventories		10,729	13,385
Financial assets		1,023	1,150
Other current assets		958	1,036
TOTAL CURRENT ASSETS		21,969	23,647
NON-CURRENT ASSETS			
Investments accounted for using equity method	10	529	36
Property, plant and equipment		760	1,046
Deferred tax assets		2,010	7,568
Intangible assets	9	11,955	11,955
Financial Assets (due to interest on directors loan)		3,569	2,671
Other		690	109
TOTAL NON-CURRENT ASSETS		19,513	23,385
TOTAL ASSETS		41,482	47,032
CURRENT LIABILITIES			
Trade and other payables		10,452	9,924
Borrowings		3,229	3,713
Short term provisions		1,618	1,665
TOTAL CURRENT LIABILITIES		15,299	15,302
NON-CURRENT LIABILITIES			
Borrowings		1,289	1,984
Employee benefits		110	130
TOTAL NON-CURRENT LIABILITIES		1,399	2,114
TOTAL LIABILITIES		16,698	17,416
NET ASSETS		24,784	29,616
EQUITY			
Issued capital	6	83,789	83,789
Reserves		513	623
Retained earnings (accumulated losses)		(59,518)	(54,796)
TOTAL EQUITY		24,784	29,616

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Ordinary Share Capital	Undistributable Profits Reserve	Exchange Translation Reserve	Retained Profits (Losses)	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Consolidated					
Balance at 1 July 2012	83,789	504	(558)	(54,388)	29,347
Total comprehensive income/(loss) for the year	-	-	677	(408)	269
Balance at 30 June 2013	83,789	504	119	(54,796)	29,616
Balance at 1 July 2013	83,789	504	119	(54,796)	29,616
Total comprehensive income / (loss) for the year	-	-	(110)	(4,722)	(4,832)
Balance at 30 June 2014	83,789	504	9	(59,518)	24,784

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED CASH FLOW STATEMENT THE YEAR ENDED 30 JUNE 2014

Notes	2014 \$000	2013 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	34,213	41,771
Receipts from legal case settlement	-	131
Payments to suppliers and employees	(32,375)	(41,567)
Interest received	21	66
Finance costs	(307)	(282)
Income tax paid	-	(141)
Net cash provided by (used in) operating activities	1,552	(22)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	21	425
Purchase of property, plant and equipment	(22)	(49)
Dividends received from unrelated entity	7	6
Payments for acquisition of investment in associate	(50)	(257)
Payments for financial assets	(1,836)	(1,893)
Proceeds from sale of financial assets	2,233	1,610
Net cash provided by (used in) investing activities	353	(158)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	240
Advances/Repayment of borrowings	(1,591)	(2,037)
Net cash provided by (used in) financing activities	(1,591)	(1,797)
Net increase/(decrease) in cash held	314	(1,977)
Cash at beginning of period	1,457	3,434
Cash at end of period	5 1,771	1,457

The accompanying notes form part of these financial statements

Quantum Energy Limited

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies have been consistently applied by the consolidated entity and are consistent with those applied in the 30 June 2013 annual financial report.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group	
	2014	2013
	\$ 000	\$ 000
Revenue		
Sale of goods	25,905	35,451
Services revenue	5,779	6,149
	<u>31,684</u>	<u>41,600</u>
Other Income		
Interest receivable- other entities	21	66
Interest receivable – related parties	310	211
Dividend from unrelated parties	7	6
Other revenue	121	103
	<u>459</u>	<u>386</u>
Total Revenue	<u>32,143</u>	<u>41,986</u>

NOTE 3: PROFIT /(LOSS) FOR THE YEAR

Expenses

Finance costs		
- External	306	280
- Related parties	457	460
Total finance costs	<u>763</u>	<u>740</u>
Foreign currency losses (gains)	<u>(54)</u>	<u>(55)</u>

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 4: EARNINGS PER SHARE

	Consolidated Group	
	2014 Cents per Share	2013 Cents per Share
Loss per share for the loss from continuing operations		
Basic loss per share	(0.46)	(0.03)
Diluted loss per share	(0.46)	(0.03)
Loss per share for the net loss after tax		
Basic loss per share	(0.46)	(0.04)
Diluted loss per share	(0.46)	(0.04)
(a) Reconciliation of earnings to profit or loss		
	2014	2013
	\$ 000	\$ 000
Net (loss) from continuing operations	(4,713)	(332)
Earnings used to calculate basic EPS	(4,713)	(332)
Earnings used to calculate diluted EPS	(4,713)	(332)
Net (loss)	(4,722)	(408)
Earnings used to calculate basic EPS	(4,722)	(408)
Earnings used to calculate diluted EPS	(4,722)	(408)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	1,018,308,291	1,018,308,291
(c) Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	1,018,308,291	1,018,308,291

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2014 \$ 000	2013 \$ 000
Cash as shown in the Balance Sheet is reconciled to cash at the end of the financial year shown in the Cash Flow Statement		
Cash at bank and in hand	4,440	4,338
Bank Overdraft	(2,669)	(2,881)
	<u>1,771</u>	<u>1,457</u>

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 6: ISSUED CAPITAL

	Consolidated Group		Consolidated Group	
	2014	2013	2014	2013
	No.	No.	\$ 000	\$ 000
CURRENT				
Fully paid ordinary shares	1,018,308,291	1,018,308,291	83,789	83,789
Movements:				
At beginning of the year	1,018,308,291	1,018,308,291	83,789	83,789
At the end of the year	1,018,308,291	1,018,308,291	83,789	83,789

NOTE 7: SEGMENT REPORTING

	Environmental Services		Medical		Investments		Unallocated		Elimination		Consolidated-Continuing Operations	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Total revenue	9,697	13,668	20,102	26,648	2,029	1,458	315	212	-	-	32,143	41,986
Profit/(Loss)	(1,606)	(1,759)	1,971	2,608	767	(409)	(5,842)	(769)	(3)	(3)	(4,713)	(332)
Segment assets	9,617	13,282	25,202	22,231	1,566	1,200	4,687	8,874	410	1,445	41,482	47,032
Segment liabilities	4,531	4,613	7,577	7,907	18	-	4,522	3,796	50	1,100	16,698	17,416

	Discontinued		Consolidated	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
	\$ 000	\$ 000	\$ 000	\$ 000
Total revenue	-	11	32,143	41,997
Profit/(Loss)	(9)	(76)	(4,722)	(408)
Segment assets	-	-	41,482	47,032
Segment liabilities	-	-	16,698	17,416

NOTE 8: DISCONTINUED OPERATIONS

	2014 \$ 000	2013 \$ 000
(a) Financial Performance Information		
Financial Performance information in relation to Discontinued operation as described in (e) below		
Revenue	-	11
Expenses	(11)	(119)
Net Loss before Income Tax	(11)	(108)
Income Tax credit	(2)	(32)
Loss after income tax from Discontinued Operations	(9)	(76)
(b) Cash Flow information		
Cash flow information in relation to Discontinued operation:		
Net Cash (out) flow from Operating Activities	(11)	(18)
Net Cash (out) flow from Investing Activities	-	-
Net Cash (out) flow from Financing Activities	-	-

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

NOTE 8: DISCONTINUED OPERATIONS (continued)

	2014 \$ 000	2013 \$ 000
(c) Assets classified as held for sale		
Assets held for sale (discontinued operation – see (e) below)		
Trade Receivables	-	-
	-	-
(d) Liabilities directly associated with assets classified as held for resale		
Liabilities held for sale (discontinued operation – see (e) below)		
Trade & Other Payables	-	-
	-	-

(e) Discontinued Operation

On 30 June 2011 the Company closed down its retail Solar Power Division.

NOTE 9: IMPAIRMENT

Goodwill has been tested for impairment at 30 June 2014 and the Directors believe no adjustment is required in relation to the carrying value of goodwill as at 30 June 2014.

NOTE 10: Investment accounted for using the equity method

	2014 Ownership interest	2013 Ownership interest
Information in relation to Associates		
(i) Manly Warringah Sea Eagles Limited	37%	37%
(ii) Quantum HQ	50%	-

The group's share of the results of its associate and its aggregate assets and liabilities are as follows:

		Ownership interest %	Assets \$ 000	Liabilities \$ 000	Revenue \$ 000	Profit/(Loss) \$ 000
30/06/2014	Manly Warringah Sea Eagles Limited	37%	1,237	1,855	7,010	442
30/06/2013	Manly Warringah Sea Eagles Limited	37%	867	2,023	5,643	(439)
30/06/2014	Quantum HQ	50%	45	29	41	(29)

Share of contingent liabilities of associate is \$ Nil (30 June 2013 \$ Nil).