

Artist & Entertainment Group Limited

ABN 67 097 771 581

Level 2 Hudson House 131 Macquarie Street Sydney NSW 2000

GPO Box 3723 Sydney NSW 2001

Phone: +61 2 9258 9900
Fax: +61 2 9247 6225

ASX Release

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APPENDIX 4E Preliminary Final Report

**ARTIST & ENTERTAINMENT GROUP LIMITED
ABN 67 097 771 581
AND CONTROLLED ENTITIES**

**FINANCIAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2014
PROVIDED TO THE ASX UNDER LISTING RULE 4.3A**

Appendix 4E Preliminary Final Report

Name of entity

Artist & Entertainment Group Limited

ABN or equivalent company reference:	67 097 771 581
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1. Reporting period

Report for the financial year ended	June 30, 2014
Previous corresponding period is the financial year ended	June 30, 2013

2. Results for announcement to the market

Revenues from ordinary activities (<i>item 2.1</i>)	up	37%	to	\$61,593
Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>)	down	49%	to	(\$906,434)
Net loss for the period attributable to members (<i>item 2.3</i>)	down	49%	to	(\$906,434)
Dividends (<i>item 2.4</i>)	Amount per security		Franked amount per security	
Interim dividend	¢	NIL	¢	NIL
Final dividend	¢	NIL	¢	NIL
Record date for determining entitlements to the dividend (<i>item 2.5</i>)	N/A			
Brief explanation of any of the figures reported above necessary to enable the figures to be understood (<i>item 2.6</i>):				
Revenue from ordinary activities consists of income derived mainly from short term investments.				
The loss from ordinary activities is arrived at after including corporate expenditure.				

3. Income Statement (*item 3*)

See “Consolidated Statement of Comprehensive Income” and accompanying notes.

4. Balance Sheet (*item 4*)

See “Consolidated Statement of Financial Position” and accompanying notes.

5. Statement of Cash Flows (*item 5*)

See “Consolidated Statement of Cash Flows” and accompanying notes.

6. Dividends (*item 6*)

	Date of payment	Total amount of dividend
Interim dividend – year ended 30 June 2014	N/A	\$ NIL
Final dividend – year ended 30 June 2014	N/A	\$ NIL

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	¢ NIL	¢ NIL	¢ NIL
Previous year	¢ NIL	¢ NIL	¢ NIL

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities (<i>each class separately</i>)	NIL	NIL
Preference securities (<i>each class separately</i>)	NIL	NIL
Other equity instruments (<i>each class separately</i>)	NIL	NIL
Total	NIL	NIL

7. Details of dividend or distribution reinvestment plans in operation are described below (item 7):

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

N/A

8. Statement of retained earnings (item 8)

	Consolidated Entity	
	2014	2013
	\$	\$
Balance at the beginning of year	(10,243,651)	(8,480,849)
Net profit attributable to members of the parent entity	(906,434)	(1,762,802)
Total available for appropriation	(11,150,085)	(10,243,651)
Dividends paid	-	-
Balance at end of year	(11,150,085)	(10,243,651)

9. Net tangible assets per security (item 9)

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.01 ¢	0.10 ¢

10. Details of entities over which control has been gained or lost during the period: (item 10)

Control gained over entities

Name of entities (item 10.1)

N/A

Date(s) of gain of control (item 10.2)

N/A

Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 10.3)

\$ Nil

Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)

\$ Nil

Loss of control of entities

Name of entities (<i>item 10.1</i>)	Ozthai Coal Pty Ltd
Date(s) of loss of control (<i>item 10.2</i>)	30 June 2014
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (<i>item 10.3</i>).	\$ Nil
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (<i>item 4.3</i>)	\$ Nil

11. Details of associates and joint venture entities (*item 11*)

Name of associate or joint venture entity (<i>item 11.1</i>)	%Securities held (<i>item 11.2</i>)
N/A	-

Aggregate share of profits (losses) of associates and joint venture entities (*item 11.3*)

Group's share of associates' and joint venture entities':	2014 \$	2013 \$
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities	N/A	N/A
Net profit (loss) from ordinary activities after tax	N/A	N/A
Adjustments	N/A	N/A
Share of net profit (loss) of associates and joint venture entities	N/A	N/A

12. Significant information relating to the entity's financial performance and financial position.

The main activities of the Company remain focused in securing a major interest in the Wailawi Oil & Gas Project in Indonesia through an assignment of rights from Union Pacific Trading Pty Ltd ("UPT"). Under the arrangement with UPT, the Company is to acquire the entire issued share capital of Centre Energy Petroleum Limited ("CEP") who would on completion own a majority economic interest in the Wailawi Oil & Gas Project. In consideration, the Company will issue shares to the shareholders of CEP including UPT in the aggregate of \$12.8 million.

On completion of the project acquisition in CEP, the Company will be entitled to receive a share of the net project earnings generated from the Wailawi Oil & Gas Project on the account of what will then be its wholly owned subsidiary CEP. The Company will progress to issue a prospectus and re-listing the Company compliant to ASX chapters 1 & 2 of the listing rules.

During the year, the Company raised \$527,050 through the issue of 43,335,000 converting notes. A total of 143,599,999 notes were converted into fully paid ordinary shares with shareholders' approval at the Annual General Meeting on 29 November 2013. The outstanding converting notes as at end of the reporting period stood at 36,825,000 converting notes of total face value \$442,900.

As at end of the reporting period, the Company has a total of 635,993,388 fully paid ordinary shares on issue consisting of 409,810,055 AEM (quoted) shares and 226,183,333 AEMA (unquoted) shares.

13. The financial information provided in the Appendix 4E is based on the annual financial report, which has been prepared in accordance with Australian accounting standards.
(item 13)

14. Commentary on the results for the period.

See item 2.6

15. Audit of the financial report (item 15)

Select one of the following:

- ☐ The financial report has been audited
- ☐ The financial report has not yet been audited.
- ☒ The financial report is in the process of being audited.

16. The audit has not yet been completed

Select one of the following:

- ✓ The financial report is not likely to be the subject of dispute or qualification.
- The financial report is likely to be the subject of dispute or qualification as described below.

Include a description of the likely dispute or qualification.

N/A

17. The audit has been completed.

Select one of the following:

- The financial report is not subject to audit dispute or qualification.
- The financial report is subject to audit dispute or qualification as described below.

Include a description of the dispute or qualification.

N/A

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

	Consolidated Entity	
	2014	2013
	\$	\$
Revenue		
Revenue from the rendering of services	-	-
Other income	61,593	44,884
	<u>61,593</u>	<u>44,884</u>
Less: Expenses		
Consulting and Temporary Staff Costs	(432,207)	(536,796)
Property and Occupancy	(58,890)	(58,212)
Impairment of financial assets	(84,065)	(745,000)
IT & T	(1,419)	(1,443)
Depreciation expenses	-	(987)
Finance costs	(2,511)	(1,917)
Legal Fee	-	-
Corporate and listing costs	(309,554)	(282,841)
Other expenses	(84,633)	(180,490)
	<u>(973,279)</u>	<u>(1,807,686)</u>
(Loss) before income tax from continuing operations	(911,686)	(1,762,802)
Income tax expense (income tax benefit)	-	-
	<u>(911,686)</u>	<u>(1,762,802)</u>
(Loss) from continuing operations	(911,686)	(1,762,802)
Profit (loss) from discontinued operations	5,252	-
	<u>(906,434)</u>	<u>(1,762,802)</u>
Profit (loss) for the year	(906,434)	(1,762,802)
Other comprehensive income for the year net of tax	-	-
Total comprehensive income/(loss) for the year attributable to the members of the parent entity	<u>(906,434)</u>	<u>(1,762,802)</u>
Earnings per share from profit from continuing operations:		
Basic earnings per share	(0.16¢)	(0.38¢)
Diluted earnings per share	(0.15¢)	(0.29¢)
Earnings per share from profit from discontinued operations:		
Basic earnings per share	(0.00¢)	(0.00¢)
Diluted earnings per share	(0.00¢)	(0.00¢)
Earnings per share from continuing and discontinued operations:		
Basic earnings per share	(0.16¢)	(0.38¢)
Diluted earnings per share	(0.15¢)	(0.28¢)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2014

	Consolidated Entity	
	2014	2013
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	268,195	809,538
Receivables	177,078	49,997
Other current assets	20,235	20,235
TOTAL CURRENT ASSETS	465,508	879,770
NON-CURRENT ASSETS		
Property, plant and equipment	1	1
Other financial assets	39,952	14,430
TOTAL NON-CURRENT ASSETS	39,953	14,431
TOTAL ASSETS	505,461	894,201
CURRENT LIABILITIES		
Payables	415,754	396,377
Borrowings	15,321	17,702
TOTAL CURRENT LIABILITIES	431,075	414,079
TOTAL LIABILITIES	431,075	414,079
NET ASSETS	74,386	480,122
EQUITY		
Issued capital	11,224,471	10,723,773
Accumulated losses	(11,150,085)	(10,243,651)
TOTAL EQUITY	74,386	480,122

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 June 2014**

Consolidated Entity	Contributed equity \$	Retained earnings \$	Total Equity \$
Balance as at 30 June 2012	9,137,163	(8,480,849)	656,314
(Loss) for the year	-	(1,762,802)	(1,762,802)
Total comprehensive income for the year	-	(1,762,802)	(1,762,802)
Transactions with owners in their capacity as owners:			
Contributions, net of costs	1,586,610		1,586,610
	1,586,610	-	1,586,610
Balance as at 30 June 2013	10,723,773	(10,243,651)	480,122
(Loss) for the year	-	(906,434)	(906,434)
Total comprehensive income for the year	-	(906,434)	(906,434)
Transactions with owners in their capacity as owners:			
Contributions, net of costs	500,698		500,698
	500,698	-	500,698
Balance as at 30 June 2014	11,224,471	(11,150,085)	74,386

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 June 2014**

	Consolidated Entity	
	2014	2013
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	-	-
Payments to suppliers and employees	(989,154)	(900,758)
Interest received	8,555	5,459
Borrowing costs	(2,511)	(1,917)
Net cash provided by / (used in) operating activities	(983,110)	(897,216)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	220,915	507,195
Payment for property, plant and equipment	-	-
Payment for investments	(277,464)	(4,200)
Payment for other non-current assets	-	-
Net cash provided by / (used in) investing activities	(56,549)	502,995
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from share issue	-	-
Proceeds from borrowings/deposit & bonds	525,838	1,135,691
Repayment of borrowings/deposit & bonds	(27,522)	(26,298)
Net cash provided by / (used in) financing activities	498,316	1,109,393
Net increase / (decrease) in cash and cash equivalents	(541,343)	715,172
Cash and cash equivalents at beginning of year	809,538	94,366
Cash and cash equivalents at end of the year	268,195	809,538

ARTIST & ENTERTAINMENT GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 67 097 771 581

NOTE 1: BASIS OF PREPARATION OF PRELIMINARY FINANCIAL REPORT

This preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. The accounting policies adopted in the preparation of the preliminary financial report are consistent with the accounting policies adopted and outlined in the notes to the financial statements for the year ended 30 June 2013.

**NOTE 2: RECONCILIATION OF PROFIT FROM
ORDINARY ACTIVITIES TO NET CASH FLOWS FROM
OPERATING ACTIVITIES**

	Year Ended June 30, 2014	Year Ended June 30, 2013
(a) Reconciliation of cash		
- Cash in hand	-	-
- Cash at bank	<u>268,195</u>	<u>809,538</u>
	268,195	809,538
 (b) Reconciliation of profit from ordinary activities after related income tax to net cash flows from operating activities		
- Profit /(loss) for the year	(906,434)	(1,762,802)
- Depreciation of non-current assets	-	987
 Gain on disposal of investments	(41,172)	(31,195)
Gain on revaluation of investments	(11,865)	(8,230)
Provision of impairment of investments	84,065	745,000
 Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses		
(Increase)/decrease in assets		
- Current receivables	(127,081)	(34,789)
- Other current assets	-	(1,781)
- Non-current assets	-	-
 Increase/(decrease) in liabilities		
- Current payables	<u>19,377</u>	<u>195,594</u>
Net cash from operating activities	<u>(983,110)</u>	<u>(897,216)</u>