

# **QED Occtech Limited**

**ABN 98 057 335 672**

## **Appendix 4E - Preliminary Final Report**

- 1. The current reporting period is the year ended 30 June 2010 and the previous corresponding period is for the year ended 30 June 2009.**
- 2. Results for announcement to the market.**

	30 June 2010	30 June 2009	% Change
	\$	\$	
2.1 Revenue from ordinary activities.	29,186	49,228	(41%)
2.2 Profit (loss) from ordinary activities after tax attributable to members.	(994,690)	(186,390)	434%
2.3 Net profit (loss) for the period attributable to members.	(994,690)	(186,390)	434%
2.4 Amount per security and franked amount per security of final and interim dividend.	No dividends have been paid or provided for during the period		
2.5 Record date for determining entitlements to the dividends and payment date.	Not applicable		
2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.	See note 14: Commentary on results for the year.		

### 3. Statement of Comprehensive Income

	Notes	2010 \$	2009 \$
Finance Revenue		29,186	49,228
<b>Total Revenue</b>		<b>29,186</b>	<b>49,228</b>
Employee expenses		(100,055)	(66,000)
Depreciation and amortisation expenses		-	(4,167)
Corporate administrative services		(120,360)	(160,000)
Share of loss of associate	10	(56,850)	-
Other expenses		(135,494)	(85,332)
<b>Loss before tax expense</b>		<b>(383,573)</b>	<b>(266,271)</b>
Tax benefit/(expense)		(611,117)	79,881
<b>Loss for the year</b>		<b>(994,690)</b>	<b>(186,390)</b>
Other comprehensive income/(expense)			
Adjustment to deferred tax liability on investment in associate taken to reserve		657,509	-
Adjustment to fair value on reclassification of investment in associate		(331,402)	-
<b>Total comprehensive income for the year</b>		<b>(668,583)</b>	<b>(186,390)</b>
<b>Profit/(loss) per share attributable to the ordinary equity holders of the Company</b>		<b>Cents</b>	<b>Cents</b>
Basic (loss) / earnings per share		(0.40)	(0.08)
Diluted (loss) / earnings per share		(0.40)	(0.08)

#### 4. Statement of Financial Position

	Notes	2010 \$	2009 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash assets		1,106,718	903,737
Receivables		3,026	-
Other assets		11,043	13,092
<b>TOTAL CURRENT ASSETS</b>		<b>1,120,787</b>	<b>916,829</b>
<b>NON-CURRENT ASSETS</b>			
Investment in associate	10	2,511,748	-
Available-for-sale asset	10	-	2,900,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,511,748</b>	<b>2,900,000</b>
<b>TOTAL ASSETS</b>		<b>3,632,535</b>	<b>3,816,829</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		83,006	62,325
Provisions		60,000	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>143,006</b>	<b>62,325</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		-	46,392
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>46,392</b>
<b>TOTAL LIABILITIES</b>		<b>143,006</b>	<b>108,717</b>
<b>NET ASSETS</b>		<b>3,489,529</b>	<b>3,708,112</b>
<b>EQUITY</b>			
Issued capital		19,695,081	18,075,081
Reserves		1,860,293	2,704,186
Accumulated losses	8	(18,065,845)	(17,071,155)
<b>TOTAL EQUITY</b>		<b>3,489,529</b>	<b>3,708,112</b>

## 5. Statement of Cash Flows

	2010 \$	2009 \$
<b>Cash flows from operating activities</b>		
Receipts from customers and others	-	51,150
Interest received	26,161	49,228
Refunds of GST received	5,300	24,706
Payments to suppliers and employees	(278,480)	(339,942)
<b>Net cash used in operating activities</b>	<b>(247,019)</b>	<b>(214,858)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of plant and equipment	-	-
<b>Net cash from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of shares	450,000	-
<b>Net cash used in financing activities</b>	<b>450,000</b>	<b>-</b>
<b>Net decrease in cash held</b>	<b>202,981</b>	<b>(214,858)</b>
<b>Cash at the beginning of the financial year</b>	<b>903,737</b>	<b>1,118,595</b>
<b>Cash at the end of the financial year</b>	<b>1,106,718</b>	<b>903,737</b>

## 6. Dividend Payments

No dividends or distributions have been paid or provided for during the period.

## 7. Dividend Reinvestment Plans

There are no dividend or distribution reinvestment plans in operation.

## 8. Statement of Accumulated Losses

	2010 \$	2009 \$
<b>Accumulated losses</b>		
Balance at beginning of year	17,071,155	16,884,765
Loss for the year	994,690	186,390
<b>Balance at end of the year</b>	<b>18,065,845</b>	<b>17,071,155</b>

## 9. Net Tangible Assets Per Security

	30 June 2010	30 June 2009
	Cents	Cents
Net tangible assets per security	1.3	1.6

## 10. Gain or Loss of Control over Entities

Transaction Solutions International Plc ("TSI") became an associate of the Company on 23 February 2010 following the appointment of Mr Paul Boyatzis and Mr Gary Foster as directors of the Company. Mr Boyatzis and Mr Foster are also directors of TSI. At 30 June 2010 The Company had 3 directors and TSI had a total of 4 directors. Mr Boyatzis and Mr Foster had an equity interest in TSI of 8.42% and 13.34% respectively. QED had a 17.60% interest in TSI.

As a result of gaining control over TSI the Company recorded a 17.60% share of the total loss incurred by TSI in the period 23 February to 30 June 2010 being \$56,850

The carrying value of the associate at 30 June 2010 was recorded as \$2,511,748 equal to 17.60% of the total net assets of TSI (2009: fair value \$2,900,000). TSI was previously recognised as an available-for-sale financial asset recorded at fair value.

## 11. Joint Venture

Not applicable.

## 12. Other Significant Information

Subsequent to the reporting date the shareholders of the Company approved the acquisition of TSI. The Company completed the TSI transaction and acquired the issued shares it did not already own through the issue of 1,026,185,797 shares and 162,800,000 Converting Notes.

## 13. Foreign Entities – Investment in Associate, TSI, United Kingdom

The Company equity accounts for its associate, TSI using the financial statements of TSI, a United Kingdom company, which are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

**14. Commentary on Results for the Year**

TSI has continued to perform strongly and in the year to 31 March 2010 revenues from TSI India increased by 121% and expenses by only 26% for the same period.

The Company progressed with the acquisition of TSI during the year and following a general meeting of shareholders on 19 August 2010 the transaction was approved.

QED remains confident in the prospects for the future growth of TSI India due to its strategic position in the Indian market and the talented and experienced management team which it has in place.

During the year, as a result of the reclassification of accounting treatment for its investment in TSI the carrying value was reduced from \$2,900,000 to \$2,511,748.

During the year the Company recognised an income tax expense of \$611,117 being a reversal of the deferred tax asset previously offset against a deferred tax liability arising on the revaluation on its investment in TSI. The investment has been reclassified as an equity accounted associate effective from 23 February 2010.

**15. Progress of Audit / Review**

This Appendix 4E is based on a Financial Report that is in the process of being audited.

**16. Audit Dispute or Qualification**

None.