

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

PRELIMINARY FINAL REPORT

Appendix 4E

**Preliminary Final Report
Financial Year ended 30 June 2013**

This information is provided under listing rule 4.3A for the year ended 30 June 2013 and includes comparative information for the year ended 30 June 2012.

Results for Announcement to the market

	Year ended 30 June 2013 \$	Year ended 30 June 2012 \$	Amount change \$	% change
Revenue from ordinary activities	41,985,609	41,632,258	353,351	1
Profit (Loss) from continuing operations after tax attributed to members	(332,816)	(1,953,679)	1,620,863	(83)
Loss from discontinued activities after tax attributed to members	(75,445)	(1,743,310)	1,667,865	(96)
Profit (Loss) for the period attributed to members	(408,260)	(3,696,989)	3,288,729	(89)

No dividends have been paid, declared or recommended by the Company during the year ended 30 June 2013.

Net tangible assets per security

	As at 30 June 2013 cents	As at 30 June 2012 cents
Net tangible assets per ordinary share	0.99	0.96

Controlled entities

No controlled entities were acquired or disposed of during the period.

Associates and joint venture entities

No associates or joint venture entities were acquired or disposed of during the period.



Quantum Energy Limited

And its controlled entities

A.B.N. 19 003 677 245

APPENDIX 4E

PRELIMINARY FINAL REPORT

YEAR ENDED 30 JUNE 2013

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.

InSight Oceania delivered strong growth in past year due to continued success with key suppliers in Oncology, Radiology and Women's Health markets. InSight will continue to expand its resources into these markets and is planning for further expansion in the next twelve months with the inclusion of new products and suppliers. The directors anticipate these strong results to continue in financial year 2014.

The Environmental Services Division continues to be impacted by uncertainty caused by changes to the level of government assistance provided to consumers in the renewable energy sector. In addition a slow down in the mining sector has also impacted results. During the year the Environmental Division removed significant overheads from its cost structure. The Company anticipate the Environmental Division will return to profitability based on a new product offering, a lower cost structure and new sales and distribution channels to support the business.

Financial position

The net assets of the consolidated group have increased to \$ 29,616,000 as at 30 June 2013. 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 (0.04) cents as compared with a loss per share of (0.36) cents in the previous corresponding period. The diluted loss per share was (0.04) cents as compared with a loss per share of (0.36) 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 effected 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

The group has not gained or lost control over any entity during the financial year.

Audited Accounts

This report is based on accounts that are in the process of being audited. The auditors have advised that their audit report is likely to be qualified, as the auditors have been unable to obtain sufficient appropriate audit evidence of the recoverability of deferred tax assets of \$7,568,000 at 30 June 2013.



Drew Townsend
Chairman of the Board
30th August 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	Consolidated Group	
		2013	2012
		\$ 000	\$ 000
Revenue from continuing activities	2	41,986	41,632
Cost of Sales		(24,313)	(22,568)
Employee benefits expense		(9,781)	(11,149)
Depreciation and amortisation expense – non manufacturing		(365)	(651)
Advertising and promotion expenses		(211)	(535)
Finance costs	3	(740)	(1,069)
Legal fees		(131)	(235)
Research and development expenditure		(555)	(167)
Travel expenses		(1,041)	(1,196)
Motor vehicle expenses		(696)	(578)
Warranty expenses		(34)	(63)
Telephones & internet		(359)	(507)
Consultants		(186)	(158)
Freight & delivery expenses		(175)	(143)
Occupancy (rent) expenses		(1,546)	(1,618)
Insurance		(220)	(249)
Profit (loss) on disposal of Renewable Energy Certificates		242	(179)
Fair value loss on financial assets (Renewable Energy Certificates)		(212)	(404)
Share of losses in associate	10	(439)	(527)
Other expenses		(1,553)	(2,169)
(Loss) Profit from Continuing Operations before income tax		(329)	(2,533)
Income tax (expense) credit		(3)	580
Net (Loss) profit from Continuing Operations		(332)	(1,953)
(Loss) from Discontinued Operations	8	(76)	(1,743)
Net (Loss) profit after tax		(408)	(3,696)
Other comprehensive income			
Translation of foreign subsidiaries		677	408
Total comprehensive income /(loss)for the period		269	(3,288)

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	(0.03)	(0.19)
Diluted earnings/(loss) per share (cents per share)	4	(0.03)	(0.19)

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	(0.04)	(0.36)
Diluted earnings/ (loss) per share (cents per share)	4	(0.04)	(0.36)

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2013

		Consolidated	
	Note	2013 \$ 000	2012 \$ 000
CURRENT ASSETS			
Cash and cash equivalents	5	4,338	5,297
Trade and other receivables		3,738	5,925
Inventories		13,385	14,970
Financial assets		1,150	2,644
Other current assets		1,036	2,038
Assets classified as held for sale		-	26
TOTAL CURRENT ASSETS		23,647	30,900
NON-CURRENT ASSETS			
Trade and other receivables		-	56
Investment accounted for using equity method	10	36	218
Property, plant and equipment		1,046	1,707
Deferred tax assets		7,568	7,655
Intangible assets	9	11,955	11,955
Financial Assets		2,671	-
Other		109	134
TOTAL NON-CURRENT ASSETS		23,385	21,725
TOTAL ASSETS		47,032	52,625
CURRENT LIABILITIES			
Trade and other payables		9,924	15,051
Borrowings		3,713	2,887
Current tax liabilities		-	152
Short term provisions		1,665	1,890
Liabilities associated with assets held for sale		-	20
TOTAL CURRENT LIABILITIES		15,302	20,000
NON-CURRENT LIABILITIES			
Borrowings		1,984	2,982
Employee benefits		130	296
TOTAL NON-CURRENT LIABILITIES		2,114	3,278
TOTAL LIABILITIES		17,416	23,278
NET ASSETS		29,616	29,347
EQUITY			
Issued capital	6	83,789	83,789
Reserves		623	(54)
Retained earnings (accumulated losses)		(54,796)	(54,388)
TOTAL EQUITY		29,616	29,347

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Ordinary Share Capital	Option Reserve	Undistributable Profits Reserve	Exchange Translation Reserve	Retained Profits (Losses)	Total
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Consolidated						
Balance at 1 July 2011	83,789	152	504	(966)	(50,844)	32,635
Options expired	-	(152)	-	-	152	-
Total comprehensive income/(loss) for the year	-	-	-	408	(3,696)	(3,288)
Balance at 30 June 2012	83,789	-	504	(558)	(54,388)	29,347
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

The accompanying notes form part of these financial statements.

Quantum Energy Limited

CONSOLIDATED CASH FLOW STATEMENT THE YEAR ENDED 30 JUNE 2013

Notes	2013 \$000	2012 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	41,771	56,001
Receipts from legal case settlement	131	169
Payments to suppliers and employees	(41,567)	(48,798)
Interest received	66	46
Finance costs	(282)	(1,248)
Income tax paid	(141)	(498)
Net cash provided by (used in) operating activities	(22)	5,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	425	755
Purchase of property, plant and equipment	(49)	(136)
Dividends received from unrelated entity	6	3
Payments for acquisition of investment in associate	(257)	(553)
Payments for financial assets	(1,893)	(5,086)
Proceeds from sale of financial assets	1,610	12,014
Acquisition of convertible note	-	-
Net cash provided by (used in) investing activities	(158)	6,997
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	240	298
Repayment of borrowings	(2,037)	(9,654)
Net cash provided by (used in) financing activities	(1,797)	(9,356)
Net increase/(decrease) in cash held	(1,977)	3,313
Cash at beginning of period	3,434	121
Cash at end of period	⁵ 1,457	3,434

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 2012 annual financial report.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group	
	2013	2012
	\$ 000	\$ 000
Revenue		
Sale of goods	35,451	34,553
Services revenue	6,148	6,754
	41,599	41,307
Other Income		
Interest receivable- other entities	66	47
Interest receivable – related parties	212	144
Dividend from unrelated parties	6	3
Other revenue	103	131
	387	325
Total revenue	41,986	41,632

NOTE 3: PROFIT /(LOSS) FOR THE YEAR

Expenses

Finance costs		
- External	279	664
- Related parties	461	405
Total finance costs	740	1,069
Foreign currency losses (gains)	(55)	318

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 4: EARNINGS PER SHARE

	Consolidated Group	
	2013 Cents per Share	2012 Cents per Share
Earnings per share for the loss from continuing operations		
Basic earnings per share	(0.03)	(0.19)
Diluted earnings per share	(0.03)	(0.19)
Earnings per share for the net loss after tax		
Basic earnings per share	(0.04)	(0.36)
Diluted earnings per share	(0.04)	(0.36)
(a) Reconciliation of earnings to profit or loss		
	2013	2012
	\$ 000	\$ 000
Net (loss) from continuing operations	(332)	(1,953)
Earnings used to calculate basic EPS	(332)	(1,953)
Earnings used to calculate diluted EPS	(332)	(1,953)
Net (loss)	(408)	(3,696)
Earnings used to calculate basic EPS	(408)	(3,696)
Earnings used to calculate diluted EPS	(408)	(3,696)
	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

All options previously on issue expired in August 2011 and up until this date were considered to be anti-dilutive, and have not been included in calculating diluted EPS.

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2013 \$ 000	2012 \$ 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	4,338	5,297
Bank Overdraft	(2,881)	(1,863)
	1,457	3,434

Quantum Energy Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 6: ISSUED CAPITAL

	Consolidated Group		Consolidated Group	
	2013	2012	2013	2012
	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 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
Total revenue	13,668	21,724	26,648	17,101	1,458	2,663	212	144	-	-	41,986	41,632
Profit/(Loss)	(1,759)	(219)	2,608	796	(409)	(1,062)	(769)	(1,357)	(3)	(111)	(332)	(1,953)
Segment assets	13,282	11,456	22,231	25,116	1,200	1,285	8,874	21,373	1,445	(6,631)	47,032	52,599
Segment liabilities	4,613	4,007	7,907	11,712	-	-	3,796	4,915	1,100	2,624	17,416	23,258

	Discontinued		Consolidated	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
	\$ 000	\$ 000	\$ 000	\$ 000
Total revenue	11	1,433	41,997	43,065
Profit/(Loss)	(76)	(1,743)	(408)	(3,696)
Segment assets	-	26	47,032	52,625
Segment liabilities	-	20	17,416	23,278

NOTE 8: DISCONTINUED OPERATIONS

	2013 \$ 000	2012 \$ 000
(a) Financial Performance Information		
Financial Performance information in relation to Discontinued operation as described in (e) below		
Revenue	11	1,433
Expenses	(119)	(3,918)
Net Loss before Income Tax	(108)	(2,485)
Income Tax credit	(32)	(742)
Loss after income tax from Discontinued Operations	(76)	(1,743)
(b) Cash Flow information		
Cash flow information in relation to Discontinued operation:		
Net Cash (out) flow from Operating Activities	(18)	(29)
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 2013

NOTE 8: DISCONTINUED OPERATIONS (continued)

	2013 \$ 000	2012 \$ 000
(c) Assets classified as held for sale		
Assets held for sale (discontinued operation – see (e) below)		
Trade Receivables	-	26
	-	-
(d) Liabilities directly associated with assets classified as held for resale		
Liabilities held for sale (discontinued operation – see (e) below)		
Trade & Other Payables	-	20
	-	-

(e) Discontinued Operation

On 30 June 2011 the Company closed down its retail Solar Power Division. During the year ended 30 June 2013 the company sold its remaining assets attributable to this division.

NOTE 9: IMPAIRMENT

Goodwill has been tested for impairment at 30 June 2013 and the Directors believe no adjustment is required in relation to the carrying value of goodwill as at 30 June 2013.

NOTE 10 Investment accounted for using the equity method

	2013	2012
Information in relation to Associate		
(i) Name: Manly Warringah Sea Eagles Limited		
(ii) Ownership interest:	37%	37%

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	Loss \$ 000
		%	\$ 000	\$ 000	\$ 000	\$ 000
30/06/2013	Manly Warringah Sea Eagles Limited	37%	867	2,023	5,643	(439)
30/06/2012	Manly Warringah Sea Eagles Limited	37%	603	1,320	5,626	(527)

Share of contingent liabilities of associate is \$ Nil (30 June 2012 \$ Nil).