

APPENDIX 4E

Preliminary final report

1. Company Details

Name of entity

ENERGY TECHNOLOGIES LIMITED

ABN or equivalent company
reference

38 002 679 469

Financial year ended ('current
period')

30 June 2015

Financial year ended ('previous
period')

30 June 2014

2. Results for announcement to the market

\$A'000

2.1 Revenues from operating activities	Down	10%	to	12,915
2.2 Profit from operating activities after tax attributable to members	Up	56%	to	(430)
2.3 Profit for the period attributable to members	Up	56%	to	(430)
2.4 Dividends	Amount per security		Franked amount per security	
Final dividend	NIL		NIL	
Interim dividend	NIL		NIL	
2.5 Record date for determining entitlements to the dividend	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:				
Energy Technologies Limited (EGY) has reported a consolidated loss for the year after tax and minority of \$429,959 (FY2014 loss of \$987,407). The FY2015 results include a loss after tax of \$1,054,574 (FY2014 loss of \$1,013,458) reported by subsidiary Bambach Wires and Cables Pty Ltd (BWC). There will be further discussion of the result below.				

3. Details of Individual and Total Dividends

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Final dividend:				
	Current year		-¢	-¢	-¢
	Previous year		-¢	-¢	-¢
	Interim dividend:				
	Current year		-¢	-¢	-¢
	Previous year		-¢	-¢	-¢

Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities	-¢	-¢
Preference securities	-¢	-¢

4. Dividend reinvestment plan

Details of any dividend reinvestment plans in operation:

There is no dividend reinvestment plan in place.

The last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan:

Not applicable

5. Statement of retained earnings

	Current period - \$A'000	Previous corresponding period - \$A'000
Accumulated losses at the beginning of the financial year	(6,213)	(5,226)
Net profit/(loss) attributable to members	(430)	(987)
Accumulated losses at the end of the financial year	(6,643)	(6,213)

6.1 Net Tangible Asset backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.08c)	0.26c

6.2 Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS (cents)	(0.19c)	(0.5c)
Net profit / (loss) after tax for the period attributable to members (\$'000s)	(430)	(987)
Weighted average number of ordinary securities	224,528,463	197,890,174

7. Details of entities over which control has been gained or lost during the period

7.1 A	Name of entity	No entities were acquired during the period
7.2 A	Date from which control was gained	
7.3 A	Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from operating activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	
7.1 B	Name of entities	No entities were disposed of during the period
7.2 B	Date from which control was gained / lost	
7.3 B	Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from operating activities during the period and the profit or loss of such entities during the whole of the previous corresponding period	

8. Details of Associates and Joint Ventures:

<i>Name of entity</i>	<i>Percentage holding</i>
Dulhunty Poles Pty Ltd	36%

8.1 Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period:

EGY has fully impaired its investment in Dulhunty Poles Pty Ltd (DPPL).

9 - Comments by directors

EGY continues to report a loss in FY2015 but improved in comparison with last year's results (FY2015 loss of \$429,960; FY2014 loss of \$987,407). The parent entity continues to reduce costs and has again reported a profit after tax for FY2015 of \$670,195 (FY2014 profit of \$94,676) after a further final reduction in BWC vendor liability of \$1,139,039. Bambach Wires and Cables Pty Ltd (BWC) reported a loss after tax of \$1,054,574 (FY2014 loss \$1,013,458)

BWC continues to be impacted from the general down turn in sector-wide trading conditions. Overall BWC revenue from operations has decreased to \$11,650,278 from previous \$13,911,667. However margins have improved, overheads have been cut and the impact of new product range and a lower Australian Dollar is expected to improve trading results in FY2016. Included in FY2015 revenue is a further \$843,040 R&D Grant (FY2014 R&D Grant revenue \$1,201,822) which partially recovered the significant research and development expense undertaken by BWC in new product development, cable projects and testing.

10. This report is based on accounts to which one of the following applies.

- | | | | |
|-------------------------------------|--|--------------------------|--|
| ☐ | The accounts have been audited. | ☐ | The accounts have been subject to review. |
| ☒ | The accounts are in the process of being audited or subject to review. | ☐ | The accounts have <i>not</i> yet been audited or reviewed. |

11. Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review:

12. Description of dispute or qualification if the accounts have been audited or subject to review:



Sign here:

Print name: Alfred Chown
Managing Director

Date: 31 August 2015

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2015

	Notes	CONSOLIDATED 2015 \$'000	2014 \$'000
Sale of goods	2a	10,764	12,659
Cost of sales		(8,208)	(10,222)
Gross profit		2,556	2,437
Rendering of services	2a	43	51
Other revenue	2b	2,108	1,590
Marketing expenses		(52)	(44)
Occupancy expenses		(530)	(470)
Administrative expenses		(3,633)	(3,963)
Borrowing costs	3	(635)	(266)
Depreciation and amortisation expenses	3	(232)	(236)
Other expenses		(117)	(147)
LOSS FOR THE YEAR BEFORE INCOME TAX		(492)	(1,048)
Income tax benefit (expense)		16	(8)
LOSS FOR THE YEAR AFTER INCOME TAX		(476)	(1,056)
LOSS ATTRIBUTABLE TO MINORITY INTEREST		46	69
LOSS ATTRIBUTABLE TO MEMBERS OF ENERGY TECHNOLOGIES LIMITED		(430)	(987)

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	CONSOLIDATED	
	2015 \$'000	2014 \$'000
PROFIT/(LOSS) FOR THE YEAR	(476)	(1,056)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX:		
(a) Items that will be reclassified subsequently to profit or loss when specific conditions are met:		
Movement in foreign exchange relating to translation of controlled foreign entities	(4)	4
Exchange difference on foreign exchange relating to minorities	(4)	4
(b) Items that will not be reclassified to profit or loss:		
Revaluation of Plant and Equipment to fair value	-	931
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(8)	939
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(484)	(117)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:		
Members of the parent entity	(434)	(52)
Minority equity interest	(50)	(65)
	(484)	(117)

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	CONSOLIDATED 2015 \$'000	2014 \$'000
CURRENT ASSETS			
Cash and cash equivalents		99	66
Trade and other receivables		2,892	3,400
Inventories		3,503	2,936
Financial assets		-	5
Other		361	256
TOTAL CURRENT ASSETS		6,855	6,663
NON-CURRENT ASSETS			
Property, plant and equipment		2,024	2,191
Intangibles		290	10
Deferred tax assets		224	208
TOTAL NON-CURRENT ASSETS		2,538	2,409
TOTAL ASSETS		9,393	9,072
CURRENT LIABILITIES			
Trade and other payables		3,256	3,726
Financial liabilities		2,526	2,826
Provisions		565	546
TOTAL CURRENT LIABILITIES		6,347	7,098
NON-CURRENT LIABILITIES			
Financial liabilities		2,904	835
Other non-current liabilities		-	521
Provisions		35	26
TOTAL NON-CURRENT LIABILITIES		2,939	1,382
TOTAL LIABILITIES		9,286	8,480
NET ASSETS		107	592
EQUITY			
Issued capital	5	8,374	8,374
Reserves		(1,050)	(1,045)
Accumulated losses		(6,643)	(6,213)
Parent interests		681	1,116
Minority interests		(574)	(524)
TOTAL EQUITY		107	592

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2015

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Minority Interest \$	Total \$
Balance at 1 July 2013	7,717,528	(1,980,423)	(5,226,085)	(459,096)	51,924
Comprehensive income					
Loss for the year	-	-	(987,407)	(68,794)	(1,056,201)
Other comprehensive income for the year	-	935,169	-	4,060	939,229
Total comprehensive income for the year	-	935,169	(987,407)	(64,734)	(116,972)
Transactions with owners, in their capacity as owners, and other transfers					
Equity contributions	638,000	-	-	-	638,000
Shares issued in lieu of directors fees	18,750	-	-	-	18,750
Total transaction with owners, in their capacity as owners, and other transfers	656,750	-	-	-	656,750
Balance at 30 June 2014	<u>8,374,278</u>	<u>(1,045,254)</u>	<u>(6,213,492)</u>	<u>(523,830)</u>	<u>591,702</u>
Comprehensive income					
Loss for the year	-	-	(429,960)	(45,579)	(475,539)
Other comprehensive income for the year	-	(4,522)	-	(4,521)	(9,043)
Total comprehensive income for the year	-	(4,522)	(429,960)	(50,100)	(484,582)
Transactions with owners, in their capacity as owners, and other transfers					
Equity contributions	-	-	-	-	-
Shares issued in lieu of directors fees	-	-	-	-	-
Total transaction with owners, in their capacity as owners, and other transfers	-	-	-	-	-
Balance at 30 June 2015	<u>8,374,278</u>	<u>(1,049,776)</u>	<u>(6,643,452)</u>	<u>(573,930)</u>	<u>107,120</u>

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Notes	CONSOLIDATED 2015 \$'000	2014 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,081	12,400
Payments to suppliers and employees		(13,357)	(13,531)
Interest received		4	1
Borrowing costs		(635)	(266)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES		(1,907)	(1,396)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		23	7
Purchases of property, plant and equipment		(97)	(120)
Purchases of intangible development assets		(284)	-
Proceeds from sale of available for sale assets		6	-
Payment for subsidiary, net of cash acquired		(200)	(260)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(552)	(373)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share issue		-	638
Proceeds of issue of convertible notes		2,100	700
Proceeds from borrowings		874	729
Repayment of borrowings		(525)	(540)
Loans from directors		38	240
NET CASH INFLOWS FROM FINANCING ACTIVITIES		2,487	1,767
NET INCREASE (DECREASE) IN CASH HELD		28	(2)
Add: Opening cash brought forward		66	68
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies		5	-
CLOSING CASH CARRIED FORWARD		99	66

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

1. BASIS OF PREPARATION

a) Basis of preparation

The preliminary final report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The preliminary final report should be read in conjunction with the half-year financial report of Energy Technologies Limited as at 31 December 2014. It is also recommended that the financial report be considered together with any public announcements made by Energy Technologies Limited and its controlled entities during the year ended 30 June 2015 in accordance with the continuous disclosure requirements arising under the *Corporations Act 2001*.

This preliminary final report has been prepared in accordance with the requirements of the Australian Securities Exchange listing rules.

This preliminary final report does not constitute the full financial report for the year ended 30 June 2015.

b) Statement of compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards issued by the IASB.

c) Going Concern

The consolidated entity incurred a loss after tax of \$429,959 including a one-off gain from vendor liability reduction of \$1,139,039 (2014:\$ 987,407 after including a one-off gain from vendor liability reduction of \$224,546) and incurred negative cashflows from operations of \$1,906,573 (2014:\$1,396,202) for the year ended 30 June 2015. Furthermore, there was a reduction in sales revenue from the prior year of 15%. Sales Revenues were negatively impacted by the decline in mining investment and related projects. To combat the impact of the mining downturn the company has embarked on increasing its non-mining range of cable products and to this end has brought two new product lines to market and has another three lines undergoing development and testing. It is expected that these new offerings will reverse the decline experienced in sales and indeed generate a significant improvement in overall revenues.

These matters give rise to a significant material uncertainty that may cast significant doubt upon the consolidated entity's ability to continue as a going concern. The ongoing operation of the consolidated entity is dependent upon it:

- (a) achieving cash flow positive trading operations from its existing business;
- (b) continued financial support from its current financiers;
- (c) raising further funding over the ensuing 12 months (underway); and
- (d) obtaining noteholder approval for rescheduling of the 2016 maturity date of \$2.8 million of convertible note.

Management have prepared a cash flow projection for the period to 30 September 2016 that supports the ability of the consolidated entity to continue as a going concern. The FY2016 budget on which the cash flow projection is based forecasts a 24% increase in sales revenues for FY2016 from the FY2015 actual year, and the cash flow projection also assumes new investment of \$350,000 to enhance working capital.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

c) Going Concern (Cont'd)

The July 2015 monthly sales fell short of budget by 30% but based on unfilled July orders and job quotes submitted (new quotes for July rose 54% year on year) the Directors expect this to be timing difference only which will be made good in subsequent months. The Directors are still confident of achieving the FY2016 sales budget including expected sales from tendering to existing major suppliers and contractors, expected to win major project works with NSW and later Western Australia and Victoria with respect to announced infrastructure projects.

Apart from the introduction of new products into both existing and new market segments, The company has embarked on an upgrade of its manufacturing capabilities. The Business Plan of the company calls for the installation of new equipment that will cut existing manufacturing costs by between 10-15% and simultaneously expand the size of cables able to be manufactured. The company has sought and is in the process of obtaining investment funds for this exercise.

Directors are in discussion with potential investors and their advisors and pursuant to those advices are confident of raising the necessary investment funds and obtaining the necessary approvals to extend the convertible notes maturity date. The Directors believe the consolidated entity will continue as a going concern and it is appropriate to prepare these financial statements on that basis.

In the event that the consolidated entity is unable to achieve the matters detailed above, it may not be able to continue as a going concern and therefore the consolidated entity may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the consolidated entity and company not continue as going concerns.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	CONSOLIDATED	
	2015	2014
	\$'000	\$'000
2. REVENUES FROM OPERATIONS		
a) Revenue from operations		
- Sale of goods	10,764	12,659
- Services revenue	43	51
	<u>10,807</u>	<u>12,710</u>
b) Other revenues from operations		
- Foreign exchange gains on unhedged transactions	86	9
- R&D Grant	843	1,202
- Management fees	-	61
- Finance revenue	34	75
- Reduction in liability for acquisition of subsidiary	1,139	225
- Other income	6	18
Total other revenues from operations	<u>2,108</u>	<u>1,590</u>
Total revenues from operations	<u><u>12,915</u></u>	<u><u>14,300</u></u>
3. EXPENSES		
Included in the determination of net profit / (loss) before tax from continuing operations are the following expenses.		
Depreciation and amortisation of: non-current assets		
Plant and equipment	203	160
Building and leasehold improvements	3	5
Furniture, fixtures and fittings	2	8
Motor vehicles	14	19
Computer equipment	6	40
Intangibles	4	4
Total depreciation and amortisation of non-current assets	<u>232</u>	<u>236</u>
Borrowing costs expensed:		
Borrowing expense	100	-
Interest expense	535	266
	<u>635</u>	<u>266</u>
Superannuation contributions	<u>374</u>	<u>371</u>
Operating lease rental expense:		
Minimum lease payments	<u>869</u>	<u>843</u>

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	CONSOLIDATED	
	2015	2014
	\$'000	\$'000
4. STATEMENT OF CASH FLOWS		
Reconciliation of the net profit / (loss) after tax to the net cash flows from operations		
Net Profit / (Loss) from operating activities after income tax	(476)	(1,056)
Add / (less) Non-cash items		
Depreciation of non-current assets	228	232
Amortisation of intangible assets	4	4
Unrealised foreign exchange movements	85	8
Reduction in liability for acquisition of subsidiary	(1,139)	(224)
Non-operating cash flow cash items		
Loss on sale of assets	12	3
Shares issued in lieu of directors fees	-	19
Changes in assets and liabilities		
(Increase) / decrease in inventories	(566)	78
(Increase) / decrease in trade and other receivables	507	(1,689)
(Decrease) / Increase in payables	(469)	1,103
(Increase) / decrease in deferred tax asset	(16)	8
(Increase) / decrease in other-current assets	(105)	102
Net movement in provisions for employee entitlements	28	16
Net cash from / (used in) operating activities	(1,907)	(1,396)

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

	CONSOLIDATED	
	2015	2014
5. CONTRIBUTED EQUITY	\$	\$
Issued capital		
224,528,463 (224,528,463 – 2014) ordinary shares fully paid	8,374,278	8,374.278

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

6. Segment Reporting

Primary reporting - Business segments

	Energy/Energy Infrastructure		Investment		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue	11,732	13,994	1,183	306	12,915	14,300
Segment result before income tax	(910)	(872)	418	(176)	(492)	(1,048)
Income tax benefit (expense)	16	(8)	-	-	16	(8)

The group's primary business segment is Energy/Energy Infrastructure products.

Secondary reporting - Geographic segments

	Asia		Australia		Eliminations		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue	1	16	12,914	14,284	-	-	12,915	14,300
Assets	105	106	12,656	13,345	(3,368)	(4,379)	9,393	9,072
Other segment information								
Acquisition of property, plant and equipment, intangibles and others	-	-	97	120	-	-	97	120
Acquisition of intangibles and other non current assets	-	-	284	-	-	-	284	-

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2015

7. SUBSEQUENT EVENTS

There has not arisen since the end of the financial period any matter of circumstance which, in the opinion of the directors of the Company, significantly affects the operation of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Compliance statement

1. Compliance with Australian Accounting Standards ensures that the financial statements and notes comply with International Financial Reporting Standards issued by the IASB.
2. This preliminary report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This preliminary report does give a true and fair view of the matters disclosed.
4. The accounts are in the process of being audited.
5. The entity has a formally constituted audit committee.



Sign here:

Print name: Alfred Chown
Managing Director

Date: 31 August 2015