

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 2014

Financial year ended ('previous
period')

30 June 2013

2. Results for announcement to the market

\$A'000

2.1 Revenues from operating activities	Up	35.5%	to	14,300
2.2 Profit from operating activities after tax attributable to members	Up	55.8%	to	(987)
2.3 Profit for the period attributable to members	Up	55.8%	to	(987)
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 non-controlling interest of \$987,407 (FY2013 loss of \$2,232,177). The FY2014 results include a loss after tax of \$1,013,458 (FY2013 loss of \$1,725,387) 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	(5,226)	(2,994)
Net profit/(loss) attributable to members	(987)	(2,232)
Accumulated losses at the end of the financial year	(6,213)	(5,226)

6.1 Net Tangible Asset backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	0.26c	0.02c

6.2 Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS (cents)	(0.5c)	(1.35c)
Net profit / (loss) after tax for the period attributable to members (\$'000s)	(987)	(2,232)
Weighted average number of ordinary securities	197,890,174	165,404,625

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 FY2014 but much improved in comparison with last year's results (FY2014 loss of \$987,407; FY2013 loss of \$2,232,177). The parent entity continues to reduce costs and has in fact reported a profit after tax for FY2014 of \$94,676 after a one off reduction in BWC vendor liability of \$224,546. Bambach Wires and Cables Pty Ltd (BWC) reported a loss after tax of \$1,013,458 (FY2013 loss \$1,725,387)

BWC continues to be impacted from the general down turn in sector-wide trading conditions which commenced in about November 2012, arising from a high Australian dollar, and business uncertainty. However despite this overall revenue has increased to \$14,299,526 from previous \$10,555,104. Included in FY2014 revenue is \$1,201,822 R&D Grant which partially recovered the significant research and development expense undertaken by BWC in new product development, cable projects and testing, all of which position the company to take advantage of announced infrastructure projects over the near term.

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: 28 August 2014

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2014

		CONSOLIDATED	
	Notes	2014 \$'000	2013 \$'000
CONTINUING OPERATIONS			
Sale of goods	2a	12,659	9,579
Cost of sales		10,222	7,184
Gross profit		2,437	2,395
Rendering of services	2a	51	100
Other revenue	2b	1,590	876
Marketing expenses		(44)	(35)
Occupancy expenses		(470)	(437)
Administrative expenses		(3,963)	(4,233)
Borrowing costs		(266)	(75)
Depreciation and amortisation expenses	3	(236)	(251)
Other expenses		(147)	(311)
Share of Net Loss from associate		-	(391)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(1,048)	(2,362)
Income tax expense		(8)	(2)
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX		(1,056)	(2,364)
(PROFIT) LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST		69	132
PROFIT (LOSS) ATTRIBUTABLE TO MEMBERS OF ENERGY TECHNOLOGIES LIMITED		(987)	(2,232)

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2014

		CONSOLIDATED	
	Notes	2014 \$'000	2013 \$'000
PROFIT/(LOSS) FOR THE YEAR		(1,056)	(2,364)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD AFTER TAX:			
Movement in foreign exchange relating to translation of controlled foreign entities		4	12
Exchange difference on foreign exchange relating to non-controlling interest		4	12
Revaluation of Plant and Equipment to fair value	6	931	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		939	24
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(117)	(2,340)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:			
Members of the parent entity		(52)	(2,220)
Non-controlling interest		(65)	(120)
		(117)	(2,340)

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Notes	CONSOLIDATED 2014 \$'000	2013 \$'000
CURRENT ASSETS			
Cash and cash equivalents		66	69
Trade and other receivables		3,400	1,711
Inventories		2,936	3,014
Financial assets		5	5
Other		256	357
TOTAL CURRENT ASSETS		6,663	5,156
NON-CURRENT ASSETS			
Property, plant and equipment	6	2,191	1,382
Intangibles		10	15
Deferred tax assets		208	215
TOTAL NON-CURRENT ASSETS		2,409	1,612
TOTAL ASSETS		9,072	6,768
CURRENT LIABILITIES			
Trade and other payables		3,726	2,623
Financial liabilities		2,826	1,889
Provisions		546	493
TOTAL CURRENT LIABILITIES		7,098	5,005
NON-CURRENT LIABILITIES			
Financial liabilities		835	1,128
Other non-current liabilities		521	521
Provisions		26	62
TOTAL NON-CURRENT LIABILITIES		1,382	1,711
TOTAL LIABILITIES		8,480	6,716
NET ASSETS		592	52
EQUITY			
Issued capital	5	8,374	7,717
Reserves		(1,045)	(1,980)
Accumulated losses		(6,213)	(5,226)
Parent interests		1,116	511
Non-controlling interest		(524)	(459)
TOTAL EQUITY		592	52

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2014

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Non- controlling Interest \$	Total \$
Balance at 1 July 2012	10,163,080	(1,992,845)	(2,993,908)	(339,132)	4,837,195
Comprehensive income					
Loss for the year	-	-	(2,232,177)	(132,386)	(2,364,563)
Other comprehensive income for the year	-	12,422	-	12,422	24,844
Total comprehensive income (loss) for the year	-	12,422	(2,232,177)	(119,964)	(2,339,719)
Transactions with owners, in their capacity as owners, and other transfers					
Equity contributions	-	-	-	-	-
Shares issued in lieu of directors fees	52,250	-	-	-	52,250
Capital return	(2,497,802)	-	-	-	(2,497,802)
Total transaction with owners, in their capacity as owners, and other transfers	(2,445,552)	-	-	-	(2,445,552)
Balance at 30 June 2013	7,717,528	(1,980,423)	(5,226,085)	(459,096)	51,924
Comprehensive income					
Loss for the year	-	-	(987,407)	(68,793)	(1,056,200)
Other comprehensive income for the year	-	935,169	-	4,059	939,228
Total comprehensive income (loss) 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	8,374,278	(1,045,254)	(6,213,492)	(523,830)	591,702

ENERGY TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Notes	CONSOLIDATED 2014 \$'000	2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,624	9,849
Payments to suppliers and employees		(13,531)	(11,697)
Interest received		1	49
Borrowing costs		(266)	(75)
NET CASH OUTFLOWS FROM OPERATING ACTIVITIES		(1,172)	(1,874)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		7	59
Purchases of property, plant and equipment		(120)	(295)
Advances to related parties		-	(4)
Payment for subsidiary, net of cash acquired		(484)	(1,510)
Payment for additional shares in associate		-	(218)
Capital return		-	(2,432)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(597)	(4,400)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share issue		638	-
Proceeds of issue of convertible notes		700	-
Proceeds from borrowings		969	1,235
Repayment of borrowings		(540)	(109)
Loans from directors		-	478
NET CASH (OUTFLOWS) INFLOWS FROM FINANCING ACTIVITIES		1,767	1,604
NET INCREASE (DECREASE) IN CASH HELD		(2)	(4,670)
Add: Opening cash brought forward		69	4,708
Effect of exchange rate fluctuations on the balances of cash held in foreign currencies		(1)	31
CLOSING CASH CARRIED FORWARD		66	69

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

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 2013. 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 2014 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 2014.

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 \$1,056,200 (2013:\$2,364,563 loss after including a one-off gain from a premium on consolidation of \$785,029) and incurred negative cash flows from operations of \$1,171,656 (2013: \$1,874,288) for the year ended 30 June 2014, and had a deficiency of current assets at 30 June 2014 of \$435,567.

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

- (i) achieving cash flow positive trading operations from its existing business;
- (ii) continued financial support from its current financiers; and
- (iii) raising further funding over the ensuing 12 months.

Management have prepared cash flow projections that support the ability of the consolidated entity to continue as a going concern. The cash flow projections for the period to 30 June 2015 assume a 15% increase in sales revenues from the 2013/14 year, and new investment of \$750,000. The Directors are confident of raising the necessary funds and consequently believe the consolidated entity will continue as a going concern and it is therefore appropriate to prepare these financial statements on that basis. Sales results for July 2014 are in line with the budgeted sales revenue.

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 2014

	CONSOLIDATED	
	2014	2013
	\$'000	\$'000
2. REVENUES FROM CONTINUING OPERATIONS		
a) Revenue from continuing operations		
- Sale of goods	12,659	9,579
- Services revenue	51	100
	<u>12,710</u>	<u>9,679</u>
b) Other revenues from continuing operations		
- Foreign exchange gains on unhedged transactions	9	2
- R&D Grant	1,202	-
- Management fees	61	34
- Finance revenue	75	49
- Discount on Acquisition of subsidiary	-	785
- Reduction in liability	225	-
- Other income	18	6
Total other revenues from continuing operations	<u>1,590</u>	<u>876</u>
Total revenues from continuing operations	<u>14,300</u>	<u>10,555</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	160	151
Building and leasehold improvements	5	4
Furniture, fixtures and fittings	8	7
Motor vehicles	19	23
Computer equipment	40	63
Intangibles	4	3
Total depreciation and amortisation of non-current assets	<u>236</u>	<u>251</u>
Borrowing costs expensed:		
Interest expense	266	75
	<u>266</u>	<u>75</u>
Superannuation contributions	<u>371</u>	<u>374</u>
Operating lease rental expense:		
Minimum lease payments	<u>843</u>	<u>717</u>

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

	CONSOLIDATED	
	2014	2013
	\$'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	(1,056)	(2,365)
Add / (less) Non-cash items		
Depreciation of non-current assets	232	248
Amortisation of intangible assets	4	3
Unrealised foreign exchange movements	8	(5)
Discount on acquisition	-	(785)
Non-operating cash flow cash items		
Loss on sale of assets	3	11
Shares issued in lieu of directors fees	19	52
Management fees associate	-	27
Share of loss from associate	-	391
Changes in assets and liabilities		
Working capital at date of acquisition new subsidiary	-	2,829
(Increase) / decrease in inventories	78	(3,014)
(Increase) / decrease in trade and other receivables	(1,689)	(1,410)
(Decrease) / Increase in payables	1,103	1,984
(Decrease) / Increase in provision for taxation	-	85
(Increase) / decrease in deferred tax asset	8	(215)
(Increase) / decrease in current financial assets	-	1
(Increase) / decrease in other-current assets	102	(197)
Net movement in provisions for employee entitlements	16	486
Net cash from / (used in) operating activities	(1,172)	(1,874)

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

CONSOLIDATED	
2014	2013
\$	\$

5. CONTRIBUTED EQUITY

Issued capital

224,528,463 (165,847,091 – 2013) ordinary shares fully paid

8,374.278	7,717,528
------------------	-----------

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.

6. REVALUATION OF PLANT AND EQUIPMENT TO FAIR VALUE

In accordance with the choice available under AASB 116 Property, Plant & Equipment and in order to reflect fair value, subsidiary Bambach Wires and Cables Pty Ltd (BWC) has obtained an independent valuation of existing plant and equipment as at 30 June 2014. The valuation report was completed under the following bases of value:

- Fair Market Value in Continued Use (FMVICU)
- Reinstatement with New Value (RIV)

The fair value of BWC Plant and Equipment under FMVICU was \$1,975,750. The Board has adopted this value, which has resulted in an increase in net plant and equipment value of \$931,109 in BWC. The revaluation amount was recognised in the Asset Revaluation Reserve and total reported BWC Plant and Equipment increased to \$2,186,192.

RIV value was reported as \$7,520,750.

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

7. Segment Reporting

Primary reporting - Business segments

	Energy/Energy Infrastructure		Investment		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue	13,994	9,629	306	926	14,300	10,555
Segment result before income tax	(872)	(1,890)	(176)	(472)	(1,048)	(2,362)
Income tax expense	8	2	-	-	8	2

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

Secondary reporting - Geographic segments

	Asia		Australia		Eliminations		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue	16	3	14,284	10,579	-	(27)	14,300	10,555
Assets	106	112	13,345	11,304	(4,379)	(4,648)	9,072	6,768
Other segment information								
Acquisition of property, plant and equipment and others	-	-	117	258	-	-	117	258
Acquisition of intangibles	-	-	3	37	-	-	3	37

ENERGY TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2014

8. 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. This preliminary report has been prepared in accordance with Australian Accounting Standards. 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: 28 August 2014