SWW Energy Limited

ABN 60 096 687 839

Appendix 4E

Preliminary Final Report

Results for announcement to the market

for the year ended 31 December 2013

				31 December 2013 $A
Revenue	N/A	-	to	-
Profit after tax attributable to members	Down	61%	to	(190,266)
Net Profit for the period attributable to members	Down	61%	to	(190,266)

	31 December 2013	31 December 2012
Net Tangible assets per Security	$0.0005	$0.0018

Dividend

The Directors recommend that no dividend be paid. No dividends have been paid or declared during the year.

Status of Audit

The 31 December 2013 report and accompanying notes for SWW Energy Limited are in the process of being audited, but are not currently subject to any disputes or qualifications.

Comments by Directors

All other information required to be disclosed by the Group in the Appendix 4E is either not applicable or has been included in the attached financial report.

Reporting Period: 31 December 2013

Previous Corresponding Period: 31 December 2012

Results for announcement to the market

				31 December 2013 $A
Revenue	Down	-	to	-
Profit after tax attributable to members	Down	61%	to	(190,266)
Net Profit for the period attributable to members	Down	61%	to	(190,266)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend.	No dividends are proposed to be paid.	

NTA backing	**Current period**	**Previous corresponding Period**
Net tangible asset backing per ordinary security	0.05 cents	0.18 cents

Control gained over entities having material effect

Name of entity (or group of entities)	N/A
Date from which such profit has been calculated	N/A
Contribution to the reporting entity's result	N/A

Statement of Comprehensive Income

For the year ended 31 December 2013

	Note	2013 $	2012 $
Revenue from continuing operations		-	-
Other Income	**2**	16,295	2,822
Interest Income		13,117	32,418
		29,412	35,240
Accounting and Tax		(20,458)	(24,098)
Audit Fees	**12**	(29,289)	(26,196)
Consulting Fees		(2,804)	(90,986)
Corporate Administration		(51,301)	(80,395)
Directors Fees		(44,371)	(108,000)
Employee Benefits		(18,142)	(61,805)
Finance Costs		(1)	(1)
Insurance		(11,176)	(9,814)
Legal		(1,265)	(20,018)
Occupancy		(38,544)	(42,696)
Project Costs		-	(31,764)
Travel		-	(3,777)
Other		(2,327)	(15,300)
		(219,678)	(514,850)
Profit/ (Loss) before income tax		(190,266)	(479,610)
Income tax expense	**3**	-	-
Net Profit / (Loss) for the year		(190,266)	(479,610)
Other comprehensive income for the year		-	-
Total comprehensive Income/(Loss) for the year attributable to the owners of SWW Energy Limited		(190,266)	(479,610)
Profit/(Loss) per share for the year attributable to members of SWW Energy Limited		(190,266)	(479,610)
Basic profit / (loss) per share (cents per share)	**13**	(0.044)	(0.123)
Diluted profit / (loss) per share (cents per share)	**13**	(0.037)	(0.102)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2013

	Note	2013 $	2012 $
ASSETS			
Current Assets			
Cash and cash equivalents	**4**	799,678	675,447
Trade and other receivables	**5**	30,992	47,140
Other current assets	**6**	5,280	30,625
Total Current Assets		**835,950**	**753,212**
TOTAL ASSETS		**835,950**	**753,212**
LIABILITIES			
Current liabilities			
Trade and other payables	**7**	30,812	50,005
Total Current Liabilities		**30,812**	**50,005**
TOTAL LIABILITIES		**30,812**	**50,005**
NET ASSETS		**805,138**	**703,207**
EQUITY			
Issued Capital	**8**	2,084,552	1,792,353
Reserves	**9**	552,000	552,000
Accumulated Losses	**10**	(1,831,412)	(1,641,146)
TOTAL EQUITY		**805,140**	**703,207**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 31 December 2013

	Ordinary Share Capital $	Share Based Payments Reserve $	Accumulated Losses $	Total $
Balance at 1 January 2012	1,729,353	552,000	(1,161,536)	1,182,817
Profit for the period	-	-	(479,610)	(479,610)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(479,610)	(479,610)
Transactions with owners in their capacity as owners:				
Share capital raised during the year		-	-	-
Total transaction with owners	-	-		
Balance as 31 December 2012	**1,792,353**	**552,000**	**(1,641,146)**	**703,207**
Balance at 1 January 2013	**1,792,353**	**552,000**	**(1,641,146)**	**703,207**
Loss for the period	-	-	(190,266)	(190,266)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(190,266)	(190,266)
Transactions with owners in their capacity as owners:				
Share capital raised during the year	292,199	-	-	292,199
Costs of share issue	-	-	-	-
Total transaction with owners	292,199	-	-	292,199
Balance as 31 December 2013	**2,084,552**	**552,000**	**(1,831,412)**	**805,140**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 $	2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(181,084)	(614,296)
Interest received		13,115	32,418
Net cash outflow from operating activities	**15**	(167,969)	(581,878)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans to related entities		-	-
Net cash outflows from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares		292,199	-
Net cash inflows from financing activities		292,199	-
Net increase/(decrease) in cash and cash equivalents		124,230	(581,878)
Cash and cash equivalents at beginning of year	**4**	675,447	1,257,325
NET CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		799,678	675,447

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australian Accounting Standards ensures compliance in International Financial Reporting Standards (IFRS) in their entirety.

This financial report covers the company SWW Energy Limited. SWW Energy Limited is a listed public company, incorporated and domiciled in Australia. SWW Energy Limited is a for-profit entity for the purposes of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. All amounts are in Australian dollars, unless otherwise stated.

Accounting Policies

(A) Going Concern Basis of Accounting

The Company has incurred a net loss after tax for the year ended 31 December 2012 of $479,610 (31 December 2011 profit of $691,239) and has a working capital surplus of $703,207 (31 December 2011: $1,182,817). The financial report has therefore been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The directors believe that it is appropriate to prepare the financial report on a going concern basis for the following reasons:

(B) The directors are of the opinion that existing cash resources will provide sufficient funds to enable the Company to continue its operations for at least the next 12 months.

(C) Revenue Recognition

Sales revenue

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the sale of goods or provision of services to entities outside the company.

Sale of goods – Revenue from the sale of goods is recognised when all significant risks and rewards of ownership have been transferred to the buyer. In most cases this coincides with the transfer of legal title or the passing of possession to the buyer.

Interest revenue is recognised using the effective interest method. It includes the amortisation of any discount or premium. The revenue is recognised over the time the interest is earned.

Dividend revenue is recognised when the right to receive a dividend has been established.

(D) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(E) Income Tax

Income taxes are accounted for using the comprehensive statement of financial position liability method whereby:

- the tax consequences of recovering (settling) all assets (liabilities) are reflected in the financial statements;
- current and deferred tax is recognised as income or expense except to the extent that the tax relates to equity items or to a business combination;
- a deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available to realise the asset;
- deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

(F) Impairment of Assets

At each reporting date, the company determines whether there is any indication that assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(G) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank Notes to the financial statements for the financial year ended 31 December 2012 overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(H) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

(G) Financial Instruments (Cont)

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

(I) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(J) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

(K) Share-based payments

Share-based compensation benefits are provided to employees via the company's Employee Option Plan and an employee share scheme. Information relation to these schemes is set out in note 16.

The fair value of options granted under the company's Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(L) Financial Risk Management Objectives and Policies

The company's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the company's financial risk management policy. The objective of the policy is to support the delivery of the company's financial targets whilst protecting future financial security.

(K) Financial Risk Management Objectives and Policies (Cont)

The main risks arising from the company financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Audit, Compliance and Risk Management Committee under authority of the Board. The Board reviews and agrees policies for managing each of the risks identified, including the setting of limits for credit allowances and future cash flow forecast projections.

(M) Segment Reporting

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker ("CODM"), which has been identified by the company as the Managing Director and other members of the Board of directors.

(N) Employee Entitlements

The Company's liability for employee entitlements arising from services rendered by employees to reporting date is recognised in other payables. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on-costs.

(O) Earnings Per Share

(i) Basic Earnings Per Share

Basic earnings per share is determined by dividing the operating loss attributable to the equity holder of the Company after income tax by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the year.

(P) Trade and Other Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months. Cash on deposit is not due for settlement until rights of tenure are forfeited or performance obligations are met.

(Q) Trade and Other Payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial period that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(R) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

2. OTHER INCOME

	2013 $	2012 $
Other Revenues		
Reversal of Creditors	-	-
Foreign Exchange Gain	16,295	2,822
Total Operating Revenue	16,295	2,822

Restructure and recapitalisation

During 2011, the company underwent a restructuring and recapitalisation under the terms of the DOCA. As part of this arrangement, the company was released from all existing creditors at the time of the recapitalisation. The effect on profit of this transaction was an increase in income of $1,098,475.

3. INCOME TAX EXPENSE

(a) The components of tax expense comprise:

	2013 $	2012 $
Current tax	-	-
Deferred tax	-	-
Recoupment of prior year tax losses	-	-
Under provision in respect of prior years	-	-
	-	-

(b) The prima facie tax benefit on loss before income tax is reconciled to the income tax as follows:

Prima facie tax benefit on loss before income tax at 30% (31 Dec 2012: 30%)		
Entity	(57,080)	(143,883)
	(57,080)	(143,883)
Add:		
Tax effect of:		
Deductions not included in loss for the period		
Non-deductible expenses	-	6,149
	-	6,149
Less:		
Tax effect of:		
Non-assessable income	-	-
Deferred tax asset unrecognised on tax	57,080	137,734
Income tax expense	-	-
Deferred tax assets/liabilities not brought to account:		
Opening deferred tax assets/liabilities	259,905	122,171
Deferred tax assets – tax losses	57,080	137,735
Deferred Tax Liabilities	-	-
Total deferred tax assets/liabilities not brought to account.	316,985	259,905

4. CASH AND CASH EQUIVALENTS[1]

Cash at bank and on hand	19,764	9,100
Deposits at call	779,914	666,347
	799,678	675,447

[1] Please refer to Note 19 Financial Risk Management

5. TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
Current		
Trade and other receivables	30,992	47,140
	30,992	47,140

Allowance for Impairment Loss

Trade receivables are non-interest bearing and are generally on cash up front – 30 day end of month terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No impairment loss has been recognised by the entity in the current year.

At 31 December 2013, the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days PDNI*	61-90 Days PDNI*	+91 days PDNI*	+91 days CI*
As at 31 December 2013	30,992	30,992	-	-	-	-
As at 31 December 2012	47,140	47,140	-	-	-	-

*Past due not impaired ('PDNI'), Considered impaired ('CI')

Receivables past due but not considered impaired are $nil (2012: $nil).

Other balances within trade and other receivables do not contain impaired assets and are not past due.

6. OTHER CURRENT ASSETS

Prepayments	5,280	30,625
	5,280	30,625

Nature of Prepayments

The prepayments figure relates to prepaid insurance incurred during the year.

7. TRADE AND OTHER PAYABLES

Current		
Trade payables	12,812	30,005
Accrued Expenses	18,000	20,000
	30,812	50,005

8. ISSUED CAPITAL

	Notes	2013 Shares	2012 Shares	2013 $	2012 $
(a) Share Capital					
Ordinary Shares					
Fully Paid		**389,599,124**	389,599,124	**1,792,353**	1,792,353
Shares issued during year					
11 September 2013		**58,439,868**	-	**292,199**	-
Capital Raising Costs		**-**	-	**-**	-
		448,038,992	389,599,124	**2,084,552**	1,792,353
(b) Other equity securities					
Value of conversion rights		**-**	-	**-**	-
Convertible Notes		**-**	-	**-**	-
Convertible Notes Issued		**-**	-	**-**	-
Notes Converted		**-**	-	**-**	-
Deferred tax liability component		**-**	-	**-**	-
		-	-	**-**	-
		448,038,992	389,599,124	**2,084,552**	1,792,353

(a) Share Capital

During the year ending 31 December 2013 the company issued 58,439,868 ordinary fully paid shares as follows:

- On 11 September 2013, 58,439,868 new shares at an issue price of 0.5 cents per share by the company to apply towards meeting costs associated with the Company's ongoing evaluation of new investment opportunities

(b) Convertible Note

2013

There were not any convertible notes issued or converted during the reporting period.

9. RESERVES

	2013 $	2012 $
Reserves		
Share Based Payments Reserve	552,000	552,000
	552,000	552,000

9. RESERVES (Cont.)

Nature and purpose of reserves

(i) Share-based payments reserve

The share based payments reserve is used to recognise:

- The fair value of options issued to employees and consultants but not exercised
- The fair value of shares issued to employees

10. ACCUMULATED LOSSES

Balance at the beginning of the financial year	(1,641,146)	(1,161,536)
Net profit/(loss) attributable to members	(190,266)	(479,610)
Reduction of share capital	-	-
Balance at the end of the financial year	(1,831,412)	(1,641,146)

11. KEY MANAGEMENT PERSONNEL INFORMATION

(a) Key Management Personnel Compensation

31 December 2013	Short-term Benefits	Post-employment Benefits	Share-based payment	Total
	$	$	$	$
Directors	59,084	1,286	-	60,371
	59,084	1,286	-	60,371

31 December 2012	Short-term Benefits	Post-employment Benefits	Share-based payment	Total
	$	$	$	$
Directors	116,871	3,129	-	120,000
	116,871	3,129	-	120,000

(b) Other Key Management Personnel Disclosures

Director, Mr B Bussell, is a shareholder and a director of Hemisphere Corporate Services Pty Ltd and Minerva Corporate Pty Ltd. During the 2013 year the Company was providing consultancy, tenancy and administration services to SWW Energy Limited. No formal contract is in place in regard to these transactions. All transactions were conducted on normal commercial terms.

Director, Mr D Olsen, is a shareholder and a director of Marlston Taxation & Business Advisers. During the 2013 year the company was providing taxation and accountancy services to SWW Energy Limited. No formal contract is in place in regard to these transactions. All transactions were conducted on normal commercial terms.

11. KEY MANAGEMENT PERSONNEL INFORMATION (Cont.)

Aggregate amounts of each of the above types of other transactions with key management personnel of SWW Energy Limited are as follows:

	2013	2012
	$	$
Payments to related parties		
Consultancy, Rent and Administration	121,544	341,685
Taxation and Accountancy	8,954	26,389
	130,498	368,074
Balance outstanding at year end		
Trade Payables	7,188	19,913
	7,188	19,913

(c) Compensation options

No options were issued to Directors or Key Management Personnel during the year.

(d) Shareholdings

Number of shares held by parent entity directors and other key management personnel

	Balance 1 Jan 13	Purchased	Disposed	Other	Balance 31 Dec 13
Directors					
Mr Stewart Elliott	-	89,159,750	-	-	89,159,750
Mr Brian Allen	-	89,159,750	-	-	89,159,750
Mr Stuart Foster	-	65,250,000	-	-	65,250,000
Mr Graham Elliott	-	89,159,750	-	-	89,159,750
Mr Benjamin Bussell	3,157,895	-	-	(3,157,895)	-
Mr Darren Olsen	3,200,000	-	-	(3,200,000)	-
Mr Matthew Foy	1,013,158	-	-	(1,013,158)	-
Mr Sam Edis	-	-	-	-	-
	7,371,053	332,729,250	-	(7,371,053)	332,729,250

The above figures are from the later of employment commencement date and 1 January 2012 through to the earlier of termination date and 31 December 2012.

12. AUDITOR'S REMUNERATION

	2013	2012
	$	$
Remuneration of the auditor of the parent entity for:		
Auditing and review of financial reports	29,289	39,196
Compliance and taxation services	-	-
	29,289	39,196

13. EARNINGS PER SHARE

(a) Earnings used in calculating earnings per share		
Profit / (Loss) attributable to continuing operations	(190,266)	(479,610)
Profit / (Loss) attributable to ordinary equity holders of the parent entity	(190,266)	(479,610)
	#	#
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	407,531,357	389,599,124
Weighted average number of potential ordinary shares outstanding during the year not included in diluted EPS as not dilutive	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	487,531,357	469,599,124

14. SEGMENT REPORTING

The company primarily operates in one segment being renewable energy research, development and production. No segment results are presented as the directors believe these are the same as the results presented by the company as a whole.

15. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

Cash Flows from operating activities		
Profit / (Loss) for the year	(190,266)	(479,610)
Non-cash flows in profit / (Loss):		
Reversal of creditors	-	-
Changes in assets and liabilities:		
Increase / (Decrease) in trade payables and accrual	(31,787)	(46,644)
Decrease / (Increase) in trade receivables	25,345	(25,801)
Decrease / (Increase) in other current assets	28,739	(29,823)
Increase / (Decrease) in income tax liabilities	-	-
Net cash from operating activities	(167,969)	(581,878)

16. SHARE BASED PAYMENTS

(a) Options Issued

No options were issued as share based payments during the year ended 31 December 2013.

The share based payments listed below have been issued to consultants of SWW Energy during the year ended 31 December 2011.

Share based payments transactions are recognised at fair value in accordance with AASB 2.

Grant date	Expiry date	Exercise price	Balance at start of the year Number	Granted during the year Number	Expired during the year Number	Balance at the end of the year Number	Vested and exercisable at the end of the year Number
2013							
19/04/2011	31/12/2014	$0.01	80,000,000	-	-	80,000,000	80,000,000
			80,000,000	-	-	80,000,000	80,000,000
Weighted Average Exercise Price			$0.01	-	-	$0.01	$0.01
2012							
19/04/2011	31/12/2014	$0.01	80,000,000	-	-	80,000,000	80,000,000
			80,000,000	-	-	80,000,000	80,000,000
Weighted Average Exercise Price			$0.01	-	-	$0.01	$0.01

The assumptions used for the consultants options valuation for options issued in 2011 are as follows:

The options granted during 2011 had a weighted average fair value of the options granted during the year was $0.0069. This price was calculated by using a Black Scholes option pricing model applying the following inputs:

Weighted average exercise price	$0.01
Weighted average life of the option	3.704 years
Underlying share price	$0.01
Expected share price volatility	100%
Risk free interest rate	4.97%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future tender, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future.

Included under employee benefits expense in the Statement of Comprehensive Income is $nil (2012: $nil), and relates, in full, to equity-settled share-based payment transactions.

16. SHARE BASED PAYMENTS (CONT)

(b) Shares issued

No shares were issued as share-based payments during 31 December 2013.

17. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operation of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

18. CAPITAL MANAGEMENT

Management controls the capital of the entity in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the entity can fund its operations and continue as a going concern.

The entity's debt and capital includes ordinary share capital, and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the entity's capital by assessing the entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the entity since the prior year. This strategy is to ensure that the entity's gearing ratio remains below 40%. The gearing ratios for the year ended 31 December 2013 and 31 December 2012 are as follows:

	2013 $	2012 $
Total Borrowings	-	-
Less Cash and Cash Equivalents	799,678	675,447
Net Debt	-	-
Total Equity	823,140	690,207
Total Capital	823,140	690,207
Gearing Ratio	0%	0%

19. FINANCIAL RISK MANAGEMENT

The entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivables and payable and leases.

1. Treasury Risk Management

An Audit, Compliance and Risk Committee consist of board members who meet to analyse financial risk exposure, and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board's overall risk management strategy seeks to assist the entity in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the board. These include the use of credit risk policies and future cash flow requirements.

The company has the following financial instruments.

2. Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The entity is not exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the entity's measurement currency.

(a) Interest rate risk

The entity is exposed to interest rate risk at the date of this report via its cash holdings.

(b) Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows and ensuring sufficient cash reserves are on hand to meet obligations.

(c) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available).

	2013	2012
	$	$
Cash and Cash Equivalents		
AA	799,678	675,447
	799,678	675,447

19. FINANCIAL RISK MANAGEMENT (CONT)

(d) Financial instrument composition and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Weighted average effective interest rate	Variable interest rate	Fixed Interest 1 Year or less	Fixed Interest Over 1 to 5 years	Total Contractual Cash Flows	Non-interest bearing	Total
	%	$	$	$	$	$	$
31 December 2013							
Financial Assets							
Cash and cash equivalents	1.74%	799,678	-	-	-	-	799,678
Trade and other receivables		-	-	-	-	22,684	22,684
		799,678	-	-	-	22,684	822,362
Financial Liabilities							
Trade and other payables		-	-	-	-	778	778
Other financial liabilities		-	-	-	-	-	-
		-	-	-	-	778	778
31 December 2012							
Financial Assets							
Cash and cash equivalents	3.08%	675,447	-	-	-	-	675,447
Trade and other receivables		-	-	-	-	77,765	77,765
		675,447	-	-	-	77,765	753,212
Financial Liabilities							
Trade and other payables	-	-	-	-	-	63,005	63,005
Other financial liabilities	-	-	-	-	-	-	-
		-	-	-	-	63,005	63,005

19. FINANCIAL RISK MANAGEMENT (CONT)

2. Financial Risk Exposures and Management (Cont)

Trade and other payable are expected to be paid as follows:

	2013	2012
	$	$
Less than 6 months	778	63,005
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
	778	63,005

(e) Net Fair Value of Financial Assets and Liabilities

For all assets and liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

(f) Sensitivity Analysis

Interest Rate Risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk, and price risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis

At 31 December 2013, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2013	2012
	$	$
Change in profit		
Increase in interest rate by 2%	14,751	19,328
Decrease in interest rate by 2%	(14,751)	(19,328)
Change in equity		
Increase in interest rate by 2%	14,751	19,328
Decrease in interest rate by 2%	(14,751)	(19,328)

20. CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report.

21. COMPANY DETAILS

The registered office of the Company is:

SWW Energy Limited
Office J, Level 2
1139 Hay Street
Perth WA 6005
T: (08) 9486 4036
F: (08) 9486 4799

The principal place of business of the Company is:

SWW Energy Limited
Office J, Level 2
1139 Hay Street
Perth WA 6005
T: (08) 9486 4036
F: (08) 9486 4799

The Company is domiciled and legally incorporated in Australia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

The Directors of the company declare that:

1. the financial statements and notes, as set out on pages 3 to 23 are in accordance with the Corporations Act 2001 and:
   a. comply with Accounting Standards and the Corporations Regulations 2001; and
   b. give a true and fair view of the financial position as at 31 December 2013 and of the performance for the financial year ended on that date of the company and entity; and
   c. complies with International Financial Reporting Standards as disclosed in note 1.
2. the Chief Executive Officer (or equivalent) and Chief Financial Officer (or equivalent) have each declared that:
   a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   b. the financial statements and notes for the financial year comply with Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view.
3. in the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Graham Elliott

Director

Dated this 28th day of February 2014.