

Public Holdings (Australia) Limited

ACN: 65 000 332 918

Appendix 4E

Preliminary Final Report

for the year ended 31 December 2016

Public Holdings (Australia) Limited

ACN: 000 332 918

Appendix 4E Preliminary Final Report For the Year Ended 31 December 2016

1. Reporting period: twelve months ended 31 December 2016
Previous corresponding period: twelve months ended 31 December 2015
2. **Results for announcement to the market:**

	2016	2015
	\$'000	\$'000
2.1 Revenue from ordinary activities up \$423,620 (6743%):	430	6
2.2 Loss from ordinary activities after tax attributable to members has reduced by \$43,979 (17%):	(216)	(260)
2.3 Net Loss attributable to members has reduced by \$43,979 (17%):	(216)	(260)
2.4 It is not proposed to pay dividends for the year ended 31 December 2016.		
2.5 Record date for entitlement to dividends. No dividends proposed therefore not applicable.		
2.6 Further information is set out in this report and the attachments to enable the figures in 2.1 to 2.3 to be understood.		
3. Statement of Profit and Loss and Other Comprehensive Income together with notes. Refer attached .
4. Statement of Financial Position together with notes. Refer attached.
5. Statement of Cash Flows together with notes. Refer attached.
6. Statement of Changes in Equity. Refer attached.
- 7 - 8. Details of dividend payments and last date for receipt of election notice for participation in any dividend. No dividends were paid or are proposed to be paid in relation to the year.
9. **Net tangible assets per security:**

	2016	2015
	Cents/share	Cents/share
Net tangible assets per share:	0.0105	0.0055
10. There were no entities over which control has been gained or lost during the year.
11. The Company does not have an interest in associates or joint ventures.
12. Other significant information considered necessary for an investor to make an informed assessment of the entity's financial performance and financial position other than as provided in this report.

An announcement was made to the market on 17 January 2017 of the termination of the Share Swap Agreement with Mobilicom Ltd. Settlement arrangements provide for the payment by Mobilicom Ltd to the Company of the sum of \$450,000. Of this amount, \$100,000 represents the repayment of a \$100,000 fee paid to Mobilicom Ltd under the terms of the Share Swap Agreement and \$350,000 to cover expenses incurred by the Company in connection with its efforts to seek and implement the proposed transaction. \$150,000 was received by the Company from Mobilicom Ltd during January 2017. The balance of the settlement arrangement of \$300,000 is due to be paid by Mobilicom Ltd to the Company by 28 February 2017. The amount of \$450,000 was treated as an adjusting event at 31 December 2016 due to ongoing negotiations which commenced during December 2016 notwithstanding that the settlement agreement with Mobilicom Ltd was not signed until 17 January 2017.

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Appendix 4E Preliminary Final Report (Continued)

12. Other significant information (Continued)

The Board continues to assess opportunities for the acquisition of a new business and recognises that the implementation of any such transaction will involve costs. If the Company were to pursue a transaction for the acquisition of a new business, it is likely that the Company would seek to raise additional capital to cover the costs associated with its implementation. ASX Listing Rule 7.1A enables eligible entities to issue equity securities up to 10% of their issued share capital through placements over a 12 month period after an Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

13. Public Holdings (Australia) Limited is not a foreign entity.

14. Commentary on the results for the period.

14.1 The earnings per security and the nature of any dilution aspects:

Basic earnings (loss) per share:

Diluted earnings (loss) per share:

Weighted average number of ordinary shares outstanding during the period used in the calculation of basic earnings per

	2016	2015
	Cents/share	Cents/share
	(0.63)	(0.99)
	(0.63)	(0.99)
	Number	Number
	34,174,066	26,205,150

14.2 There were no returns to shareholders including distributions and buy backs during the year.

14.3 Significant features of operating performance:

Costs have been contained and reduced in comparison with prior years. It is unlikely that operating performance will materially change until a new business opportunity is located.

14.4 Results of segments: The Company operates in one segment which is the investment of funds.

14.5 Trends in performance: Revenue of the Company for year end 31 December 2016 has been derived from bank interest \$1,720, repayment of a loan of \$10,000 from Your Dash Pty Ltd and settlement receivable from Mobilicom Ltd of \$450,000. For year end 31 December 2017, the continuing source of revenue is from bank interest. Costs for year end 31 December 2016 included \$540,134 expenses related to Mobilicom Ltd transaction. For year end 31 December 2017, cost will continue to be contained until the Board locates a suitable business opportunity.

14.6 Factors affecting the results for the year are disclosed in this report. Factors likely to affect results in the future relate to the Board investigating business opportunities for the Company. Also refer para. 12.

15. This report is based on financial statements that are in the process of being audited.

16. The financial statements attached to Appendix 4E have not yet been audited.

On behalf of the Board of Directors

Bryan Frost
Chairman and Managing Director

Dated: 27 February 2017

Public Holdings (Australia) Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2016

	Note	31 Dec 2016 \$	31 Dec 2015 \$
Revenue	2	429,902	6,282
Administration expenses	2	(645,935)	(163,993)
Provision for impairment of loan	4	-	(102,301)
Loss before income tax		(216,033)	(260,012)
Tax expense	3	-	-
Net Loss for the year		(216,033)	(260,012)
Total Comprehensive Loss for the year		(216,033)	(260,012)

	5	2016 Cents/share	2015 Cents/share
Earnings (Loss) per ordinary share and nature of any dilution aspects.			
Basic earnings (loss) per share:		(0.63)	(0.99)
Diluted earnings (loss) per share:		(0.63)	(0.99)
These basic and diluted earnings per share represent the earnings per share from continuing operations. There were no discontinued operations during the year.			

The accompanying notes form part of these financial statements.

Public Holdings (Australia) Limited

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Statement of Financial Position As at 31 December 2016

	Note	31 Dec 2016 \$	31 Dec 2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		39,877	176,997
Trade and other receivables	4	450,000	1,336
TOTAL CURRENT ASSETS		<u>489,877</u>	<u>178,333</u>
TOTAL ASSETS		<u>489,877</u>	<u>178,333</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		91,076	10,499
TOTAL CURRENT LIABILITIES AND TOTAL LIABILITIES		<u>91,076</u>	<u>10,499</u>
NET ASSETS		<u>398,801</u>	<u>167,834</u>
EQUITY			
Issued capital	5	1,600,136	1,153,136
Accumulated losses		(1,201,335)	(985,302)
TOTAL EQUITY		<u>398,801</u>	<u>167,834</u>

The accompanying notes form part of these financial statements.

Public Holdings (Australia) Limited

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Statement of Changes in Equity For the Year Ended 31 December 2016

	Note	Share Capital \$	Accumulated Losses \$	Total \$
Balance at 1 January 2015		876,812	(725,290)	151,522
Net loss for the year		-	(260,012)	(260,012)
Issue of shares on 17 February 2015 pursuant to non-renounceable rights issue of 1 new share for every share held		299,580	-	299,580
Capital raising expenses of non-renounceable rights issue		(35,006)	-	(35,006)
Issue of shares as consideration for services rendered		11,750	-	11,750
Balance at 31 December 2015		1,153,136	(985,302)	167,834
Net loss for the year		-	(216,033)	(216,033)
Placement of 6,500,000 shares on 10 June 2016	5	390,000	-	390,000
Capital raising expense of private placement		(3,000)	-	(3,000)
				-
Issue of shares to consultant as consideration for services rendered	2	60,000	-	60,000
Balance at 31 December 2016		1,600,136	(1,201,335)	398,801

The accompanying notes form part of these financial statements.

Public Holdings (Australia) Limited

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Statement of Cash Flows For the Year Ended 31 December 2016

	Note	31 Dec 2016 \$	31 Dec 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	4b	10,000	-
Payments to suppliers and employees	2	(565,997)	(172,494)
Interest received		1,720	3,981
GST received from ATO		30,157	22,856
Net cash used in operating activities	6	(524,120)	(145,657)
CASH FLOWS FROM INVESTING ACTIVITIES			
		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Placement of 6,500,000 shares on 10 June 2016	5	390,000	-
Capital raising expense of share placement		(3,000)	-
Non-renounceable pro-rata Rights Issue of 1 new share for every 1 share held at an issue price of 2 cents (\$0.02) each		-	299,580
Capital raising expenses of non-renounceable rights issue		-	(35,006)
Loan to Your Dash Pty Ltd	4b	-	(100,000)
Net cash provided by/(used in) financing activities		387,000	164,574
Net increase/(decrease) in cash and cash equivalents held		(137,120)	18,917
Cash and cash equivalents at 1 January		176,997	158,080
Cash and cash equivalents at 31 December		39,877	176,997

The accompanying notes form part of these financial statements.

Public Holdings (Australia) Limited

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Notes to the Financial Statements For the Year Ended 31 December 2016

1. Summary of Significant Accounting Policies

The preliminary financial report is a financial report that has been prepared in accordance with the recognition and measurement aspects of Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB), the Corporations Act 2001 and Appendix 4E of the Australian Securities Exchange listing rules.

It is recommended that this financial report be read in conjunction with the 2015 annual report, June 2016 half year report and any public announcements made by Public Holdings (Australia) Limited during the year in accordance with the continuous disclosure obligations of the ASX Listing Rules.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs. The financial report is presented in Australian dollars.

a) Income Tax

The income tax expense for the year comprises current income tax expense and deferred tax expense. Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable statutory tax rate. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

b) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Other receivables arise due to contractual obligations or settlement with third parties.

c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Loans and receivables

Loans are non-derivative financial assets with fixed or determinable payments. Gains or losses are recognised in profit or loss when the financial asset is derecognised.

Financial liabilities

Financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

d) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

e) Goods and Services Tax (GST)

Revenues (with the exception of interest), expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

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Notes to the Financial Statements For the Year Ended 31 December 2016

f) **Going Concern:**

The financial statements have been prepared on a going concern basis, which contemplates the continuation of normal business operations and realisation of assets and settlement of liabilities in the normal course of business. The Directors have considered and noted the following with regard to the ability at the Company to continue as a going concern:

The Company issued an additional 6,500,000 ordinary shares on 10 June 2016 at an issue price of 6 cents (\$0.06) each. This issue was undertaken by a private placement under the Company's power to issue securities under the listing rules of the ASX (specifically, ASX Listing Rules 7.1 and 7.1A). This placement of shares raised \$387,000 after costs and was principally for the purposes of providing working capital to fund the costs associated with implementation of the proposed acquisition of Mobilicom Ltd. As this acquisition did not proceed, part of these funds are still available to the Company.

At 31 December 2016, the financial statements of the Company show a receivable of \$450,000 due from Mobilicom Ltd. Of this amount, \$150,000 has been received during January 2017 and the balance is due by 28 February 2017. This will increase the cash reserves of the Company.

The Board continues to assess opportunities for the acquisition of a new business and recognises that the implementation of any such transaction will involve costs. If the Company were to pursue a transaction for the acquisition of a new business, it is likely that the Company would seek to raise additional capital to cover the costs associated with its implementation.

The ASX fund raising rules to provide more flexibility for smaller companies to raise additional capital in an easier and potentially less costly manner. ASX Listing Rule 7.1A enables eligible entities to issue equity securities (as that term is defined in the ASX Listing Rules) up to 10% of their issued share capital through placements over a 12 month period after an Annual General Meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1. An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity. The Board considers that ASX Listing Rule 7.1 (and, if approved at the next Annual General Meeting, ASX Listing Rule 7.1A) give the Company the capacity to raise capital sufficient to fund the costs associated with implementation of any transaction for the acquisition of a new business.

On the basis of these factors, the Directors believe that the going concern basis of preparation of the financial statements is appropriate and the Company will be able to repay its debts as and when they fall due.

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Notes to the Financial Statements For the Year Ended 31 December 2016

	Note	31 Dec 2016 \$	31 Dec 2015 \$
2. Revenue and Expenses			
The following revenue and expense items are relevant in explaining the financial performance for the year:			
<i>Revenue:</i>			
Settlement receivable from Mobilicom Ltd net of GST	4a	418,182	-
Settlement received from Your Dash Pty Ltd	4b	10,000	-
Interest received - bank accounts		1,720	3,981
Interest receivable from Your Dash Pty Ltd		-	2,301
Total Revenue		<u>429,902</u>	<u>6,282</u>
<i>Expenses:</i>			
Employee benefits expense:			
Director's fees: 250,000 shares issued to a Director during the year in lieu of a cash payment. The value attributed to these shares represents market value at the grant date of the shares.		-	(6,250)
Amounts received or due and receivable by the auditors:			
Auditing the financial statements		(9,351)	(9,050)
Expenses associated with Mobilicom Ltd transaction:		<u>(540,134)</u>	<u>-</u>
Expenses of \$540,134 include:			
■ Mobilicom Ltd fee: \$100,000 fees paid by the Company under the terms of the Share Swap Agreement.			
■ Consultants fee: 1,000,000 shares (market value \$60,000) issued to a consultant in accordance with the Terms Sheet dated 6 June 2016 and on satisfaction of Preliminary Due Diligence in lieu of a cash payment. The value attributed to these shares of \$0.06 per share or \$60,000 represents market value at the grant date of the shares. The value attributed to the shares of \$0.06 per share was based on the last trade prior to the Company's suspension from official quotation on 6 June 2016. The last trade was on 21 April 2016 at \$0.06 per share.			
■ Other costs: The other costs of \$380,134 relate to consultants and legal costs including costs associated with the Terms Sheet, Due Diligence review, preparation of Prospectus and Share Swap Agreement.			
3. Income Tax Expense			
The prima facie tax on net loss for year is reconciled to income tax as follows:			
Prima facie income tax on loss at 30%:		(64,810)	(78,004)
Tax effect of:			
Non-allowable items		<u>64,810</u>	<u>78,004</u>
Income tax attributable to entity		<u>-</u>	<u>-</u>
A deferred tax asset has not been recognised in respect of the carry forward of unused tax losses as at this stage it is not probable that future taxable profits will be derived.			
The benefit of tax losses will only be obtained if:			
■ the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,			
■ the Company continues to comply with the conditions for deductibility imposed by tax legislation and			
■ no changes in tax legislation adversely affect the Company in realising the benefit from tax losses.			

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Notes to the Financial Statements For the Year Ended 31 December 2016

		31 Dec 2016	31 Dec 2015
Note		\$	\$
4. Trade and Other Receivables - Current			
Trade and sundry debtors		-	1,336
Receivable - Mobilicom Ltd	4a	450,000	-
Loan due from Your Dash Pty Ltd	4b	-	102,301
Provision for impairment of loan		-	(102,301)
		<u>450,000</u>	<u>1,336</u>
Provision for impairment of loan			
Opening balance		(102,301)	-
Charge for the year		-	(102,301)
Provision applied against loan		102,301	-
Closing balance		<u>-</u>	<u>(102,301)</u>

4a. An announcement was made to the market on 17 January 2017 of the termination of the Share Swap Agreement with Mobilicom Ltd. Settlement arrangements provide for the payment by Mobilicom Ltd to the Company of the sum of \$450,000. Of this amount, \$100,000 represents the repayment of a \$100,000 fee paid to Mobilicom Ltd under the terms of the Share Swap Agreement and \$350,000 to cover expenses incurred by the Company in connection with its efforts to seek and implement the proposed transaction. \$150,000 was received by the Company from Mobilicom Ltd during January 2017. The balance of the settlement arrangement of \$300,000 is due to be paid by Mobilicom Ltd to the Company by 28 February 2017. The amount of \$450,000 was treated as an adjusting event at 31 December 2016 due to ongoing negotiations which commenced during December 2016 notwithstanding that the settlement agreement with Mobilicom Ltd was not signed until 17 January 2017.

4b. In accordance with a Terms Sheet entered into on 29 July 2015 between the Company and Your Dash Pty Ltd ('Your Dash'), the Company advanced Your Dash a loan of \$100,000. The Terms Sheet was terminated on 10 September 2015 and the loan repayable within six months of that date which did not occur. At 31 December 2015, a provision for diminution was raised in the financial statements. Subsequent to 30 June 2016, a Deed of Release and Settlement was signed between the Company and Your Dash. This terms of this agreement were that Your Dash would pay the Company \$10,000 in full settlement of the loan. The amount of \$10,000 has been received and is reflected in these financial statements as revenue. During the year, the loan of \$102,301 (including interest) was written off against the provision for impairment of the loan.

4c. Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties except for the receivable from Mobilicom Ltd. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Company. All the trade and other receivables are within initial trade terms.

		31 Dec 2016	31 Dec 2015
Note		\$	\$
5. Issued Capital			
37,958,000 (2015: 30,458,000) fully paid ordinary shares		<u>1,600,136</u>	<u>1,153,136</u>
At beginning of reporting period:		1,153,136	876,812
Issue of shares on 17 February 2015 pursuant to non-renounceable rights issue of 1 new share for every share held		-	299,580
Capital raising expenses of non-renounceable rights issue		-	(35,006)
Placement of 6,500,000 shares on 10 June 2016	1f)	390,000	-
Capital raising expenses of placement of shares		(3,000)	-
Issue of shares as consideration for services rendered	2	60,000	11,750
At end of reporting period:		<u>1,600,136</u>	<u>1,153,136</u>

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Notes to the Financial Statements For the Year Ended 31 December 2016

	Note	31 Dec 2016 Number	31 Dec 2015 Number
5. Issued Capital (Cont'd)			
Number of shares at beginning of year:		30,458,000	14,979,000
Shares issued during the year:			
Non-renounceable rights issue 17 February 2015		-	14,979,000
Placement of 6,500,000 shares on 10 June 2016	1f)	6,500,000	-
Shares issued as consideration for services rendered	2	1,000,000	500,000
Number of shares at end of year:		<u>37,958,000</u>	<u>30,458,000</u>
Earnings (Loss) per ordinary share and the nature of any dilution aspects:		Cents/share	Cents/share
Basic earnings (loss) per share ('EPS')		(0.63)	(0.99)
Diluted earnings (loss) per share		<u>(0.63)</u>	<u>(0.99)</u>
These basic and diluted earnings per share represent the earnings per share from continuing operations. There were no discontinued operations during the year.			
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic EPS and diluted EPS		No of shares	No of shares
		34,174,066	26,205,150
Total number of issued shares at end of financial year		<u>37,958,000</u>	<u>30,458,000</u>
Net loss for the year used in the calculation of basic and diluted earnings per share		\$ <u>(216,033)</u>	\$ <u>(260,012)</u>
6. Cash Flow Information			
Reconciliation of cash flows from operations with net loss for the year			
Net loss for the year		(216,033)	(260,012)
Non-cash flows from ordinary activities:			
Shares issued in lieu of services rendered	2	60,000	11,750
Unrealised interest from loan		-	(2,301)
Provision for diminution in value of loan		-	102,301
Changes in assets and liabilities:			
Decrease/(increase) in trade and other receivables		(448,664)	4,522
Increase/(decrease) in trade and other payables		80,577	(1,917)
Net cash used in operating activities		<u>(524,120)</u>	<u>(145,657)</u>
7. Contingent Liabilities			
The Company is not aware of any contingent liabilities.			
8. Events after the reporting date			
There have been no material matters arising since year end which have not been adequately disclosed in the financial report.			
9. Company Details			
Registered Office and Principal Place of Business of the Company: at the offices of McBain McCartin & Co Business Services Pty Ltd Level 1, 123 Whitehorse Road Balwyn, Victoria, 3103			