

APPENDIX 4D

Half Year report

1. Name of entity

PHW Consolidated Limited

ABN

99 000 094 995

Financial half-year ended ('current period')

31 December 2014

2. For announcement to the market

Results for announcement to the market:

Results for announcement to the market.

2.1	Revenues from ordinary activities	up	N/A	To	\$'000 16
2.2	Profit/(Loss) from ordinary activities after tax attributable to members	up	42%	To	(203)
2.3	Net profit/(loss) for the period attributable to members	up	42%	To	(203)
2.4	Net Tangible assets per security – at the end of the current period				\$0.0013
	Net Tangible assets per security – at the end of the previous period				\$0.0015
2.5	Dividends		Amount per security		Franked amount per security
	Final dividend		NIL ¢		NIL ¢
	Interim period		Nil ¢		Nil ¢
	The company has proposed not to pay a dividend and no dividends have been paid during the half-year. There are no dividend reinvestment plans in operation. <i>(Delete if not applicable)</i>				
2.6	Record date for determining entitlements to the dividend	N/A			
2.7	Brief explanation of any of the figures reported above: No dividends were paid or are proposed for the current period or the previous period.				
2.8	The Company did not gain or lose control over any other entities during the financial half-year.				

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

- | | | | |
|-------------------------------------|--|--------------------------|--|
| <input type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input checked="" type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Note	Half-Year to 31 December 2014 \$	Half-Year to 31 December 2013 \$
Interest received	2	15,915	14
Corporate and other expenses	2	(218,949)	(349,624)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX		(203,034)	(349,610)
Income tax		—	—
LOSS FROM CONTINUING OPERATIONS AFTER INCOME TAX		(203,034)	(349,610)
NET PROFIT/(LOSS) FOR THE PERIOD		(203,034)	(349,610)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD		(203,034)	(349,610)
BASIC EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.03)	(0.22)
DILUTED EARNINGS/(LOSS) PER SHARE (CENTS PER SHARE)		(0.03)	(0.22)

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31 December 2014 \$	30 June 2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	1,083,242	1,404,851
Trade and other receivables		14,695	15,808
TOTAL CURRENT ASSETS		1,097,937	1,420,659
TOTAL ASSETS		1,097,937	1,420,659
CURRENT LIABILITIES			
Trade and other payables		140,685	260,373
TOTAL CURRENT LIABILITIES		140,685	260,373
TOTAL LIABILITIES		140,685	260,373
NET ASSETS		957,252	1,160,286
EQUITY			
Issued capital	4	39,495,572	39,495,572
Accumulated losses		(38,538,320)	(38,335,286)
TOTAL EQUITY		957,252	1,160,286

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-Year to 31 December 2014	Half-Year to 31 December 2013
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers & employees	(270,523)	(74,946)
Interest received	15,915	14
Interest & finance costs paid	—	(521)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	<u>(254,608)</u>	<u>(75,453)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from equity issues	—	391,000
Repayment of borrowings	—	(346,978)
Capital raising expenses	(67,001)	—
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	<u>(67,001)</u>	<u>44,022</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(321,609)	(31,431)
Cash and cash equivalents at beginning of period	1,404,851	51,094
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>3</u> <u>1,083,242</u>	<u>19,663</u>

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

<u>Attributable to Members of PHW Consolidated Limited</u>	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<i>At 1 July 2013</i>	37,566,851	(37,889,471)	(322,620)
Total comprehensive loss for the period	—	(349,610)	(349,610)
SUBTOTAL	—	(349,610)	(349,610)
<i>Transactions with owners in their capacity as owners</i>			
Securities issued	391,000	—	391,000
AT 31 DECEMBER 2013	37,957,851	(38,239,081)	(281,230)

<u>Attributable to Members of PHW Consolidated Limited</u>	Issued Capital \$	Accumulated Losses \$	Total Equity \$
<i>At 1 July 2014</i>	39,495,572	(38,335,286)	1,160,286
Total comprehensive loss for the period	—	(203,034)	(203,034)
SUBTOTAL	—	(203,034)	(203,034)
AT 31 DECEMBER 2014	39,495,572	(38,538,320)	957,252

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of PHW Consolidated Limited ("Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2014, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Any new, revised or amending Accounting Standards of Interpretations that are not yet mandatory have not been adopted early.

Half-Year to 31 December 2014 \$	Half-Year to 31 December 2013 \$
---	---

NOTE 2. REVENUE, INCOME AND EXPENSES

The loss before income tax expense includes the following revenues and expenses where disclosure is relevant in explaining the performance of the Company:

REVENUE		
Interest received	15,915	14
	<u>15,915</u>	<u>14</u>
CHARGING AS EXPENSES		
Corporate and other expenses	218,949	349,624
	<u>218,949</u>	<u>349,624</u>

NOTE 3. CASH AND CASH EQUIVALENTS

For the purposes of the Cash Flow Statement and the Statement of Financial Position, cash and cash equivalents comprise cash at bank.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

31 December 2014	30 June 2014
\$	\$

NOTE 4. ISSUED CAPITAL

ORDINARY SHARES

762,596,203 (30 June 2014: 762,596,203) fully paid ordinary shares	39,495,572	39,495,572
	<u>39,495,572</u>	<u>39,495,572</u>

NOTE 5. SEGMENT INFORMATION

Operating segments are required to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Due to the size and nature of the Company, the Board as a whole has been determined as the chief operating decision maker. The financial information as presented in these financial statements is consistent with the reports reviewed by the Board used to make strategic decisions.

NOTE 6. CONTINGENT LIABILITIES

There has been no significant change in contingent liabilities since the last annual reporting date.

NOTE 7. EVENTS SUBSEQUENT TO BALANCE DATE

On 2 February 2015, the Company announced that it had entered into an agreement to acquire, in a scrip transaction, the entire issued share capital of Tomizone Limited ("Tomizone") ("Acquisition"). The consideration payable to the shareholders of Tomizone ("Vendors") for the acquisition of 100% of their Tomizone shares will be:

Initial consideration of 1,813,501,140 fully paid, ordinary shares in the capital of PHW ("Shares") on a pre-Consolidation basis. The implied acquisition price per Tomizone share is to be set by a yet to be determined Consolidation ratio, but will be a minimum of approximately \$9 million upon the re-listing of PHW (exclusive of value of the performance shares referred to below).

Performance consideration - 30,000,000 performance shares in the capital of PHW (on a post-Consolidation basis) ("Performance Shares"), comprising (assuming a minimum consolidation ratio of 40 to 1, which ratio is yet to be determined and subject to change) 15,000,000 Class A Performance Shares and 15,000,000 Class B Performance Shares. Each Performance Share will convert into one Share upon achievement of the following milestone revenues: Class A Performance Shares - subject to Tomizone achieving revenue of NZ\$7,500,000; and Class B Performance Shares - subject to Tomizone achieving revenue of NZ\$9,500,000, within the 12 month period prior to 30 June 2016. Shares issued upon the conversion of Performance Shares will rank equally to ordinary Shares currently on issue. The total number of Performance Shares to be issued to the Vendors may be adjusted depending on the final Consolidation ratio.

Options - 220,784,626 options to acquire Shares ("Options") (on a pre-Consolidation basis), comprising 86,538,467 options with an exercise price of \$0.01 and expiry date of 31 December 2015; and 134,246,159 options with an exercise price of \$0.01 and expiry date of 30 September 2018.

PHW may be required to issue additional consideration to the Vendors in the form of further Shares and Performance Shares upon certain conditions being satisfied, including if Tomizone decreases certain amounts owing or if Tomizone raises external funds prior to the Acquisition completing.

Key Conditions Precedent

The Acquisition is conditional upon satisfaction of certain key conditions (Conditions Precedent), including the following:

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

PHW re-complying with the requirements of Chapters 1 and 2 of the ASX Listing Rules and receiving conditional ASX approval for the recommencement of trade in PHW securities and the proposed terms of the Performance Shares

Completion of a consolidation of PHW securities on a ratio of no less than 40 to 1 (assuming a reinstatement price of 20 cents per share) but at a minimum in compliance with the ASX Listing Rules ("Consolidation")

Tomizone obtaining any necessary shareholder or other third party consents to effect the Acquisition;

PHW completing a pre-Consolidation capital raising of at least \$250,000

PHW completing a post-Consolidation capital raising of at least \$5 million ("Capital Raising"), further details of which are set out below

The execution by each minority Vendor of a share sale agreement in respect of the sale of the Tomizone shares held by them to PHW

PHW obtaining shareholder approval of various matters, including the issue of securities pursuant to the Acquisition agreements (subject to all Conditions Precedent being satisfied or waived) and pursuant to the Capital Raising; the Consolidation; the change of name of PHW (currently expected to be changed to "Tomizone Limited"); and the change to the nature and scale of activities of PHW in accordance with ASX Listing Rule 11.1.2.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in subsequent financial periods.