



SHARK MITIGATION SYSTEMS LIMITED
ABN 77 149 970 445

APPENDIX 4E
PRELIMINARY FINAL REPORT
For the year ended 30 June 2016

Rule 4.3A

APPENDIX 4E

Preliminary Final Report

1 Company details

Name of entity

Shark Mitigation Systems Limited

ABN or equivalent company reference	Financial year ended ("current year")	Financial year ended ("previous corresponding year")
77 149 970 445	30 June 2016	30 June 2015

2 Results for announcement to the market

					\$
2.1	Revenue from ordinary activities	up	108.75%	to	378,481
2.2	Profit from ordinary activities after tax for the year	down	732.88%	to	(717,209)
2.3	Profit for the year attributable to members	down	732.88%	to	(717,209)

2.4	Dividends	Amount per share cents	Franked amount per share cents
	Final	Nil	Nil
	Interim	Nil	Nil

2.5	Record date for determining entitlement to dividend	N/A
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2.6 Brief explanation of figures (if necessary)

On 29 January 2016 Shark Mitigation Systems Limited (formerly Sena Resources Limited) acquired 100% of Shark Attack Mitigation Systems Pty Ltd (formerly Shark Mitigation Systems Pty Ltd). Under the Australian Accounting Standards Shark Attack Mitigation Systems Pty Ltd (SAMS) was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share-based payment by which SAMS acquires the net assets and listing status of Shark Mitigation Systems Limited.

Accordingly, the consolidated financial statements of Shark Mitigation Systems Limited have been prepared as a continuation of the business and operations of SAMS. As the deemed acquirer SAMS has accounted for the acquisition of Shark Mitigation Systems Limited from 29 January 2016. The comparative information for the year ended 30 June 2015 presented in the consolidated financial statements is that of SAMS as presented in its last set of year-end financial statements.

The net loss for the consolidated entity after providing for income tax amounted to \$717,209 (2015: profit of \$113,325).

The loss for the year includes a one off non-cash expense of \$431,711 from the Australian Accounting Standards treatment of the acquisition of the Shark Mitigation Systems Group ** and also professional expenses related to the due diligence and acquisition of Shark Attack Mitigation Systems Pty Ltd, and the listing of the Company on the ASX.

**3 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
Revenue from continuing operations		
Services	378,481	184,064
Other revenue	8,787	27,550
Total Revenue	384,365	184,128
Share of profit of associate	48,290	-
Other gains	988	-
Expenses		
Personnel expenses	(164,945)	-
Administrative expenses	(149,942)	(3,518)
Listing expense on acquisition of SAMS **	(431,711)	-
Professional fees	(426,493)	(19,177)
Other expenses	(13,409)	(2,350)
Finance expenses	(1,485)	(17,084)
Results from operating activities	(754,342)	141,999
(Loss) / profit before income tax	(754,342)	141,999
Income tax benefit / (expense)	37,133	(28,674)
(Loss) / profit for the year from continuing operations	(717,209)	113,325
(Loss) / profit for the year	(717,209)	113,325
Other comprehensive income	-	-
Total comprehensive (loss) / income for the year	(717,209)	113,325
(Loss) / profit attributable to owners of the Company	(717,209)	113,325
Total comprehensive (loss) / profit attributable to owners of the Company	(717,209)	113,325
Loss per share		
Basic and diluted loss per share (cents per share)	(2.08)	-

**3 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

Notes to the consolidated statement of comprehensive income

	2016	2015
	\$	\$
<i>Revenue</i>		
Provision for services	369,694	156,514
Royalties and commissions	8,787	27,550
	<u>378,481</u>	<u>184,064</u>
 <i>Other revenue</i>		
Finance income	5,484	64
Other	400	-
	<u>378,481</u>	<u>184,064</u>
 <i>Expenses</i>		
<i>Personnel expenses</i>		
Key management personnel remuneration	164,945	-
 <i>Administrative expenses</i>		
Advertising and publicity	89,944	1,022
Communication and information services	6,472	900
Office administration	5,844	1,102
Share registry and statutory fees	47,682	494
	<u>149,942</u>	<u>3,518</u>
 <i>Professional fees</i>		
Consultancy and administration fees	281,252	11,227
Legal fees	70,920	5,100
Audit fees	38,850	-
Accounting and administration fees	30,000	2,850
Tax consultancy fees	5,471	-
Results from operating activities	<u>426,493</u>	<u>19,177</u>
 <i>Other expenses</i>		
Travel	11,572	1,617
Depreciation and amortisation	1,837	733
Results from operating activities	<u>13,409</u>	<u>2,350</u>
 <i>Other gains</i>		
Foreign exchange gain	988	-

4 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	2016	2015
	\$	\$
Assets		
Cash and cash equivalents	2,777,198	39,222
Trade and other receivables	347,231	1,095
Prepayments	16,536	-
Total current assets	3,140,965	40,317
Intangible assets	1,134,829	351,384
Investment in associates	48,292	-
Loans to associates	14,420	-
Deferred tax assets	1,745	-
Total non-current assets	1,199,286	351,384
Total assets	4,340,251	391,701
Liabilities		
Trade payables	179,153	1,445
Loans and borrowings	12,161	-
Employee benefits	6,410	-
Current tax liabilities	-	785
Deferred income	20,745	-
Total current liabilities	218,469	2,230
Deferred tax liabilities	306,047	99,320
Total non-current liabilities	306,047	99,320
Total liabilities	524,516	101,550
Net assets	3,815,735	290,151
Equity		
Issued capital	3,936,393	100
Reserves	306,500	-
Retained earnings (losses)	(427,158)	290,051
Total equity	3,815,735	290,151

**5 CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
Cash flows from operating activities		
Receipts from Customers	383,847	196,791
Cash paid to suppliers and employees	(578,015)	(24,129)
Interest received	5,484	64
Income taxes (paid) / received	(1,308)	35,554
Net cash (used in) / from operating activities	(189,992)	208,280
Cash flows from investing activities		
Loans to associates	(14,421)	-
Payments for property, plant and equipment	(684)	-
Payments for capitalised research and development	(693,873)	(106,182)
Cash held by Shark Mitigation Systems Limited at acquisition date	408,861	-
Net cash used in investing activities	(300,117)	(106,182)
Cash flows from financing activities		
Proceeds from issue of share capital	3,500,000	-
Proceeds from borrowings	23,430	-
Payment of capital raising costs	(282,591)	-
Payment of transaction costs related to loans	(60)	-
Repayment of loans from related parties	-	(91,458)
Repayment of premium funding facility	(12,694)	-
Net cash from / (used in) financing activities	3,228,085	(91,458)
Net change increase in cash and cash equivalents	2,737,976	10,640
Cash and cash equivalents at 1 July	39,222	28,582
Cash and cash equivalents at 30 June	2,777,198	39,222
Reconciliation of cash and cash equivalents		
Bank balances and cash	2,777,098	39,222
Restricted cash	100	-
Cash and cash equivalents at 30 June	2,777,198	39,222

**6 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Share capital \$	Equity-based benefits reserve Options \$	Accumulated losses \$	Total \$
Balance at 1 July 2014	100	-	176,726	176,826
Total comprehensive income for the year			113,325	113,325
Balance at 30 June 2015	100	-	290,051	290,151
Balance at 1 July 2015	100		290,051	290,151
Total comprehensive loss for the year			(717,209)	(717,209)
Transactions with owners in their capacity as owners				
<i>Contributions by and distributions to owners</i>				
Issue of ordinary shares	4,528,577			4,528,577
Share-based payment transactions		306,500		306,500
Capital raising costs	(592,284)			(592,284)
	3,936,293	306,500	-	4,242,793
Balance at 30 June 2016	3,936,393	306,500	(427,158)	3,815,735

6.1 Share Capital

	Ordinary shares			
	Number of shares		Amount in \$	
	2016	2015	2016	2015
On issue at 1 July	100	100	100	100
<i>Shares issued and expensed during the year:</i>				
Issue of shares at 20 cents each pursuant to prospectus	17,500,000	-	3,500,000	-
Shares for acquisition of Shark Attack Mitigation Systems Pty Ltd deemed consideration on acquisition	28,219,00	-	810,625	
Shares issued as consideration for introduction fee	1,089,758	-	217,952	
Shark Mitigation Systems Limited shares on issue at acquisition date	8,106,250	-	-	-
Capital raising costs	-	-	(592,284)	-
On issue at 30 June *	54,915,113	100	3,936,393	100

* includes 100 shares held in Shark Attack Mitigation Systems Pty Ltd which are not listed.

7 Dividends

No dividends have been declared for the year ending 30 June 2016 or the previous corresponding period.

8 Dividend or Distribution reinvestment plans

There are no dividend or distribution reinvestment plans in operation.

9 Net tangible assets per security

	2016	2015
	\$	\$
Net tangible asset backing per ordinary share	0.05	N/A

10 Details of entities over which control has been gained during the year

10.1 Name of the entity

Shark Attack Mitigation Systems Pty Ltd

10.2 Date of the gain

29 January 2016

11 Details of associates

Name of entity	Percentage of ownership interest held at end of year		Contribution to net profit / (loss)	
	2016 %	2015 %	2016 \$	2015 \$
Seabin Pty Ltd	20%	-	48,290	-
Aggregate share of profits of associates				
Profit before income tax			48,290	-
Income tax expense			-	-
Net profit attributable to owners of the Company			48,290	-

12 Any other significant information

N/A

13 Accounting standards

Australian Accounting Standards (AASBs), other AASB authoritative pronouncements and Urgent Issue Group Interpretations have been used in compiling the information in this Appendix 4E.

14 Results for the year

14.1 Loss per share

	2016 \$	2015 \$
Net loss attributable to ordinary shareholders	(717,209)	N/A
	2016	2015
Issued ordinary shares at 1 July	100	N/A
Effect of shares issued	34,479,016	N/A
Weighted average number of ordinary shares at 30 June	34,479,116	-
Basic and diluted loss per share (cents)	(2.08)	N/A

14.2 Returns to shareholders

N/A

14.3 Significant features of operating performance

Refer to note 2.6.

14 Results for the year (continued)

14.4 Segment results

	2016	2015
	\$	\$
Visual deterrent technology	8,202	27,550
Clever Buoy shark detection technology	368,857	151,000
	377,059	208,280
Share of profits of associates	48,290	-
Finance income	5,484	64
Central administrative expenses and directors' remuneration	(758,899)	(19,531)
Finance expenses	(1,485)	(17,084)
Listing expense on acquisition of SAMS	(431,711)	-
(Loss) / profit before tax	(761,262)	141,999

14.5 Trends in performance

Following the successful development of the SAMS and Clever Buoy products, the Company has commenced the commercialisation of the products which should have a positive impact on the performance of the company.

14.6 *Any other factors which have affected the results in the year or which are likely to affect the results in the future, including those where the effect could not be quantified:*

Post-Reporting Date Events

On 21 July 2016, Mr Simon O'Sullivan joined the Company as general manager, with the primary responsibility of further commercialising the Company's visual deterrent technology.

On 24 August 2016, shareholders approved the following:

- issue of performance shares under the Constitution
- issue of up to 300,000 performance shares to T B Asset, a company controlled by Taj Burrow
- adoption of an Employee Incentive Option Plan

On 24 August 2016, the Company issued 300,000 performance shares to T B Asset.

There have been no other material events subsequent to the end of the financial year.

15 Audit Status

The Annual Financial Report is in the process of being audited and no dispute or qualification is anticipated.



David M McArthur
Director
31 August 2016