

Appendix 4E – Preliminary Final Report Given to the ASX Under Listing Rule 4.3A for the Year Ended 30 June 2016

1. Company details

Name of entity:	Land & Homes Group Limited
ACN:	090 865 357
Reporting period:	For the year ended 30 June 2016
Previous period:	For the year ended 30 June 2015

2. Results for announcement to the market

	Current Year
Revenue	up by \$686,677 to \$686,677
Loss from ordinary activities after tax attributable to the owners of Land & Homes Group Limited (up 44.9% by \$564,614)	(\$1,822,365)
Net (loss) for the period attributable to the owners of Land & Homes Group Limited (up 44.9% by \$564,614)	(\$1,822,365)

3. Dividends Paid and Proposed

	Dividends Amount per security	Franked amount per security
Final dividend	nil cents	nil cents
Interim dividend	nil cents	nil cents
Previous corresponding period		
Final dividend	nil cents	nil cents
Interim dividend	nil cents	nil cents

4. Statement of Profit or Loss and Other Comprehensive Income with Notes to the Statement

Refer to pages 3 - 9 of the 30 June 2016 preliminary financial report and accompanying notes for Land & Homes Group Limited.

5. Statement of Financial Position with Notes to the Statement

Refer to pages 3 – 9 of the 30 June 2016 preliminary financial report and accompanying notes for Land & Homes Group Limited.

6. Statement of Cash Flows with Notes to the Statement

Refer to pages 3 – 9 of the 30 June 2016 preliminary financial report and accompanying notes for Land & Homes Group Limited.

7. Commentary on Results

	30 June 2016	30 June 2015
Earnings per share		
Basic (and diluted) earnings per share	(0.269)	(0.216)
Net tangible asset per share (\$/share)	0.007	0.001

8. Control Gained over Entities

Land & Homes Group Limited gained control over the following entities on 19 January 2016:

	30 June 2016	30 June 2015
Brisbane Land Holdings Pty Limited	100%	0%
BLH Wharf Pty Ltd	100%	0%

9. Loss of control over entities

Not applicable.

10. Status of Audit

The 30 June 2016 financial statements and accompanying notes for Land & Homes Group Limited are in the process of being audited. Currently the Directors understand that the audit is not subject to any disputes or qualifications and the audit is expected to be completed by September 2016.

ANNUAL GENERAL MEETING:

The Annual General Meeting is to be held on Thursday 17 November 2016.

For further information:

Noel Woodward, Chief Executive Officer + 61 (0) 410 484 880 or
noelwoodward@landnhomesgroup.com

Enquiries:

Bill Kemmery, FUNDEXA + 61 (0) 400 122 449 or bill@fundexa.com

Land & Homes Group Limited ABN 33 090 865 357 005
Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2016

	Note	30 June 2016 \$	30 June 2015 \$
REVENUE	3	653,446	-
Other revenue	3	33,231	-
Total Revenue		<u>686,677</u>	<u>-</u>
EXPENSES			
Employee benefits		(339,142)	(403,398)
Management fee		(200,725)	(24,361)
Professional fees		(856,164)	(95,522)
Share registry expenses		(29,333)	(7,204)
Convertible note expenses		-	(491,400)
Insurance		(26,513)	(11,740)
Capital raising cost		(296,369)	(143,943)
Other expenses		(149,733)	(80,183)
Travel expenses		(104,400)	-
Rental costs		(107,762)	-
Finance costs		(281,527)	-
Depreciation		(117,374)	-
Total Expenses		<u>(2,509,042)</u>	<u>(1,257,751)</u>
Income tax expense		-	-
Loss from continuing operations		<u>(1,822,365)</u>	<u>(1,257,751)</u>
Other comprehensive income:		-	-
Total Comprehensive Income for the period		<u>(1,822,365)</u>	<u>(1,257,751)</u>
Loss attributable to:			
Members		<u>(1,822,365)</u>	<u>(1,257,751)</u>

Land & Homes Group Limited ABN 33 090 865 357 005
Consolidated Statement of Financial Position as at 30 June 2016

	Note	30 June 2016 \$	30 June 2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		737,753	44,019
Trade and other receivables	5	<u>1,105,258</u>	<u>20,218</u>
TOTAL CURRENT ASSETS		<u>1,843,011</u>	<u>64,237</u>
Property, plant and equipment		2,509	-
Investment property	6	<u>22,610,418</u>	<u>-</u>
TOTAL NON CURRENT ASSET		<u>22,612,927</u>	<u>-</u>
TOTAL ASSETS		<u>24,455,938</u>	<u>64,237</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	2,292,987	354,891
Borrowings	8	<u>15,960,000</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>18,252,987</u>	<u>-</u>
TOTAL LIABILITIES		<u>18,252,987</u>	<u>354,891</u>
NET ASSETS (LIABILITIES)		<u>6,202,951</u>	<u>(290,654)</u>
EQUITY			
Issued capital	9	60,541,483	52,163,223
Accumulated losses		<u>(54,338,532)</u>	<u>(52,453,877)</u>
TOTAL EQUITY		<u>6,202,951</u>	<u>(290,654)</u>

Consolidated Statement of Changes in Equity for the year ended 30 June 2016

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2015	52,163,223	(52,453,877)	(290,654)
Loss attributable to members	-	(1,822,365)	(1,822,365)
Issue of shares	8,378,260	(62,290)	8,315,970
Balance at 30 June 2016	60,541,483	(54,338,532)	6,202,951

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2014	51,177,198	(51,196,126)	(18,928)
Loss attributable to members	-	(1,257,751)	(1,257,751)
Transaction costs	(74,318)	-	(74,318)
Issue of shares	1,060,343	-	1,060,343
Balance at 30 June 2015	52,163,223	(52,453,877)	(290,654)

Land & Homes Group Limited ABN 33 090 865 357 005
Consolidated Statement of Cash flows for the year ended 30 June 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		817,069	-
Payments to suppliers and employees		(1,095,516)	(320,396)
Interest received		33,231	-
Interest expense		(281,527)	-
Net cash used in operating activities	10	<u>(526,743)</u>	<u>(320,396)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments of property, plant and equipment		(2,509)	-
Purchase of investment property		(23,578,527)	-
Net cash acquired in acquisition		5,131,778	-
Net cash provided by financing activities		<u>(18,449,258)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings – related parties		1,008,035	264,262
Proceeds from borrowings – external lender		15,960,000	-
Proceeds from issue of shares		3,060,357	145,000
Payment of share issuance transaction costs		(358,656)	(74,318)
Net cash provided by financing activities		<u>19,669,736</u>	<u>334,944</u>
Net increase/(decrease) in cash and cash equivalents held		693,734	14,548
Cash and cash equivalents at beginning of year		44,019	29,471
Cash and cash equivalents at end of financial year		<u>737,753</u>	<u>44,019</u>

Note 1: Basis of preparation of preliminary report

The preliminary final report of Land & Homes Group Limited for the year ended 30 June 2016 has been prepared in accordance with ASX listing rule 4.3A and has been based on the annual report which is in the process of being audited. There are no known likely disputes or qualifications at this time. The financial report 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.

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Land & Homes Group Limited) and all of the subsidiaries the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiary entities are as follows:

- Brisbane Land Holdings Pty Limited
- BLH Wharf Pty Ltd; and
- Land & Homes Investment Pty Ltd.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Note 2: Going Concern

The financial report has been prepared on a going concern basis which contemplates the realisation of assets and settlements of liabilities in the ordinary course of business. For the year ended 30 June 2016 Land & Homes Group Limited incurred a loss of \$1,822,365 and had net current liabilities at 30 June 2016 of (\$16,409,976).

The ability of the company to continue as a going concern is principally dependent upon the ability of the company to secure funds by raising capital from equity markets and managing its cash flow. The directors' consider the going concern assumption basis as appropriate based on, subsequent to the year-end Land & Homes Group Limited successfully raised \$8,605,684 from a rights issue and is in negotiations to extend the Wharf Street loan termination date from 31 March 2017, to 31 October 2018.

Should the company be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

Land & Homes Group Limited ABN 33 090 865 357 005

Note 3: Revenue and other income

	30 June 2016	30 June 2015
	\$	\$
Revenue		
Rental Revenue	653,446	-
Interest received	33,231	-
Total	<u>686,677</u>	<u>-</u>

Note 4: Adjustment for prior year share based payment

Due to the issue of 3,114,422 shares to Equinex Investments Ltd on 14 April 2016 which related to restructuring and shareholder relation advice concerning the capital restructure in December 2014, it was necessary to retrospectively adjust the company's share capital and retained earnings accounts. The deemed fair value of the services provided by Equinex Investments Ltd amounted to \$62,290.

Note 5: Trade and other receivables

	30 June 2016	30 June 2015
	\$	\$
Deposit	1,036,860	-
Trade receivable	4,311	-
Other receivables	64,087	20,218
Total	<u>1,105,258</u>	<u>20,218</u>

Note 6: Investment property

	30 June 2016	30 June 2015
	\$	\$
Balance at beginning of year	-	-
Acquisitions – Wharf Street	22,727,792	-
Accumulated depreciation – Building Component	(117,374)	-
Total	<u>22,610,418</u>	<u>-</u>

During the year Land & Homes Group Limited, purchased a property located at 187, 191, 195, 199, 203, 207 and 2011A Wharf Street, Spring Hill, Brisbane for \$22,727,792, inclusive of stamp duty and other acquisition costs. The company has applied the cost model and has recognised rental income of \$653,446. At the time of acquisition the statutory land value amounted to \$6,100,000 and the company has valued the depreciable building component at \$15,180,000. The remaining expected useful economic life of the building has been determined to be 45 years and the building component has been depreciated on a straight line basis. The company recognised a depreciation charge of \$117,374 for the period from property settlement date to year end. The Directors believe that the fair value of the investment property as at 30 June 2016 is in excess of its carrying value. The most recent independent valuation of the property was performed by m3property Strategists on the 11th August 2015, the fair value at that date (excluding acquisition costs) was \$21,280,000.

Note 7: Trade and other payables

	30 June 2016	30 June 2015
Current	\$	\$
Trade and other payables	470,598	47,580
Accrued payroll liabilities	53,426	43,050
Loans	1,768,963	264,261
Total	<u>2,292,987</u>	<u>354,891</u>

Note 8: Borrowings

	30 June 2016	30 June 2015
Current	\$	\$
Loans	15,960,000	-
Total	<u>15,960,000</u>	<u>-</u>

The loan is secured by way of a First Legal Mortgage over the commercial office building located at 207 Wharf St, Spring Hill, Brisbane.

	30 June 2016	30 June 2015
Note 9: Issued Capital	\$	\$
877,275,609 (2015: 510,886,186) Ordinary shares fully paid	60,541,483	52,163,223

	30 June 2016 No.	30 June 2016 \$	30 June 2015 No.	30 June 2015 \$
Ordinary Shares				
At the beginning of the reporting period	510,886,186	52,163,233	331,508,339	51,177,198
Shares issued during the period:				
- Shares issued 1 Dec 14	-	-	463,138,889	915,373
- Capital consolidation	-	-	(783,761,042)	-
- Shares issued 4 Feb 15	-	-	500,000,000	145,000
- Shares issued 26 Nov 15	25,000,000	500,000	-	-
- Shares issued 19 Jan 16	330,500,001	6,610,000	-	-
- Shares issued 19 Jan 16	7,775,000	1,555,000	-	-
- Shares issued 14 April 16	3,114,422	62,288	-	-
- Capital raising costs	-	(349,028)	-	(74,338)
At the end of the reporting period	877,275,609	60,541,493	510,886,186	52,163,233

	30 June 2016 \$	30 June 2015 \$
Note 10: Cash Flow Information		
Reconciliation of net income to net cash provided by operating activities		
Loss for the year	(1,822,365)	(1,257,751)
Convertible notes expense	-	491,400
Depreciation	117,374	-
Capital raising costs	296,367	-
Director fees issued in shares	-	423,943
Changes in assets & liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase) / decrease in trade & other receivables	(48,180)	(17,774)
Increase/(decrease) in trade & other payables	710,174	39,786
Increase/(decrease) in accruals	(12,134)	-
Increase/(decrease) in deferred revenue liability	232,021	-
Cash flow from operations	(526,743)	(320,396)