

WolfStrike Rentals Group Limited
ABN 72 107 745 095
Interim Financial Report

for the half-year ended
31 December 2015

To be read in conjunction with the 30 June 2015 Annual Report
In compliance with Listing Rule 4.2A

WOLFSTRIKE RENTALS GROUP LIMITED

ABN 72 107 745 095

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Current Reporting Period: Half-year ended 31 December 2015
Previous Reporting Period: Half-year ended 31 December 2014

Results to be announced to the market			AUD\$
Revenue from ordinary activities	-		-
Loss after tax attributable to members	Up 246%	to	621,028
Loss for the half-year attributable to members	Up 246%	to	621,028

Dividends

No dividends have been paid or provided for during the half-year.

Other Information	31 December 2015	31 December 2014
Net Tangible Assets (cents per share)	(5.24)	(1.85)

Refer to the Directors' Report – Review of Operations for an explanation of the above information.

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COMPANY PARTICULARS

DIRECTORS

Mr. Robin Armstrong
Mr. Harry Fung
Mr. Quentin Olde

REGISTERED OFFICE

WolfStrike Rentals Group Limited
Level 2, 22 Pitt St,
Sydney NSW 2000
Telephone: (61) 2 9247 6844
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COMPANY SECRETARY

Ms. Eryn Kestel

PRINCIPAL OFFICE

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AUDITOR

William Buck
Level 20, 181 William Street
Melbourne Vic 3000

SHARE REGISTRY

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane Qld 2000

DIRECTORS' REPORT

The Directors of WolfStrike Rentals Group Limited (the Company) present their report together with the interim financial report for the half-year ended 31 December 2015, and the review report thereon.

DIRECTORS

The names of Directors in office at any time during or since the end of the half-year are:

Mr. Harry Fung
Mr. Robin Armstrong (appointed 13 October 2014)
Mr. Quentin Olde (appointed 29 October 2014)

REVIEW OF OPERATIONS

The loss of the Company for the half-year ended 31 December 2015, after income tax amounted to \$621,028 (2014:\$252,755).

The Company continued to operate as one segment during the period, being the evaluation of investment opportunities in the Australasia region. As stated in the Annual Report for the year ending 30 June 2015 the Company entered into an agreement to acquire 100% of the WolfStrike group of companies. Further information on this agreement and the results of activities since are included in the Subsequent Events and Material Items disclosure below.

SUBSEQUENT EVENTS AND MATERIAL ITEMS

On 13 November 2014, the Company announced to the market that it had entered into an agreement to acquire 100% of WolfStrike Rental Services Limited and its associated distribution companies (WolfStrike). WolfStrike is an information technology company with a core focus on renting technological products and services to the SME market. This coupled with an established rental book of approximately \$8,380,000, the WolfStrike group companies are currently profitable.

The deal was subject to a number of conditions precedent clauses.

The conditions precedent which were satisfied at a shareholder meeting on 20th March 2015 included:

- A change of name of the Company to WolfStrike Rentals Group Limited;
- A share consolidation of 2 for 1 shares in CFT Energy Limited; and
- Approval from shareholders to acquire the WolfStrike Group as set out in the notice of meeting.

The final condition precedent clause, the requotation of the Company's securities on the Australian Securities Exchange (ASX), is yet to occur and as such the WolfStrike Acquisition is yet to complete.

The Company has satisfied most of the conditions required to gain requotation. In order to re-comply with Chapters 1 and 2 of the ASX relisting rules the Company has issued a Replacement Prospectus to raise \$2,000,000. The Replacement Prospectus opened on 24 December 2015 and currently has a close date of 22 February 2016 with an anticipated requotation date of 7 March 2016.

In November and December 2015, the outstanding Convertible Note and Loan agreements were varied such that:

- either the noteholder or the Company can convert the loans into ordinary shares after certain conditions are met;
- the maturity dates are now between February 2017 through to May 2017; and
- for each share issued to a noteholder upon conversion, the noteholder will be issued one bonus share in the Company and an option to subscribe for shares in the Company.

The Company has sought and been granted several waivers from the ASX in regard Listing Rule 14.7 and the issuance of various shares approved at the EGM held on 20 March 2015. On 5 February 2016, these waivers were extended by ASX. The Wolfstike acquisition, capital raising, promoter and adviser shares now can be issued no later than 31 March 2016.

The Company anticipates that the proceeds both from the Prospectus and in the short-term from the convertible notes will be sufficient to provide the Company with working capital to meet its operational needs.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as is required under section 307 of the Corporations Act 2001 is attached to this Directors' Report.

This report is signed in accordance with a resolution of the Board of Directors:

A handwritten signature in dark ink, appearing to read 'Robin Armstrong', is written over a horizontal line.

Director

Robin Armstrong

Dated this 29th day of February, 2016
Sydney

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF WOLFSTRIKE RENTALS
GROUP LIMITED**

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2015 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136

N S Benbow

N. S. Benbow
Director

Dated this 29th day of February, 2016

**CHARTERED ACCOUNTANTS
& ADVISORS**

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Statement of Profit or Loss and Other Comprehensive Income
For the Half-Year Ended 31 December 2015

	31 December 2015	31 December 2014
	\$	\$
Gain on Settlement of creditors obligations	-	36,176
Finance costs	(120,329)	(10,060)
Corporate and administrative expenses	(500,699)	(278,891)
Loss before income tax	(621,028)	(252,775)
Income tax expense	-	-
Loss for the period attributable to members of the company	(621,028)	(252,775)
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive loss for the period attributable to members of the company	(621,028)	(252,775)
Basic and diluted loss per share (cents)	(1.62)	(0.70)

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 31 December 2015

	Note	31 December 2015 \$	30 June 2015 \$
Assets			
Current Assets			
Cash and cash equivalents		257,553	654,570
GST Receivable		114,426	83,019
Prepayments		-	60,000
Total current assets		371,979	797,589
Total assets		371,979	797,589
Liabilities			
Current Liabilities			
Trade and other payables		167,808	92,719
Convertible notes	3	-	2,099,302
Total current liabilities		167,808	2,192,021
Non-Current Liabilities			
Convertible Notes		2,219,631	-
Total Non-Current liabilities		2,219,631	-
Total liabilities		2,387,439	2,192,021
Net deficiency of assets		(2,015,460)	(1,394,432)
Equity			
Share capital		5,217,297	5,217,297
Accumulated losses		(7,232,757)	(6,611,729)
Total equity		(2,015,460)	(1,394,432)

The accompanying notes form part of these financial statements

Statement of Changes in Equity
For the Half-year Ended 31 December 2015

	Share Capital	Accumulated losses	Total Equity
	\$	\$	\$
Balance at 1 July 2014	5,162,554	(5,607,816)	(445,262)
<i>Total comprehensive loss for the period</i>			
Loss for the period	-	(252,775)	(252,775)
Total comprehensive loss for the period	-	(252,775)	(252,775)
<i>Transactions with owners, recorded directly in equity</i>			
Issue of 5,000,000 ordinary shares to external service provider	39,300	-	39,300
Balance at 31 December 2014	5,201,854	(5,860,591)	(658,737)
Balance at 1 July 2015	5,217,297	(6,611,729)	(1,394,432)
Loss for six months to 31 December 2015	-	(621,028)	(621,028)
Total comprehensive loss for the six months to 31 December 2015	-	(621,028)	(621,028)
Balance at 31 December 2015	5,217,297	(7,232,757)	(2,015,460)

The accompanying notes form part of these financial statements.

Statement of Cash Flows
For the Half-year Ended 31 December 2015

	31 December 2015 \$	31 December 2014 \$
Cash flows from operating activities		
Payments to suppliers and employees	(397,017)	(240,612)
Net cash (used in) operating activities	(397,017)	(240,612)
Cash flows from financing activities		
Share issue costs	-	(16,500)
Proceeds from borrowings	-	477,064
Net cash provided by/ (used in) financing activities	-	460,564
Net increase/(decrease) in cash and cash equivalents	(397,017)	219,952
Cash and cash equivalents at 1 July	654,570	856
Cash and cash equivalents at 31 December	257,553	220,808

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Half-year Ended 31 December 2015

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENTS

These general purpose financial statements for the half-year ended 31 December 2015 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting.

The half year financial statements are intended to provide users with an update on the latest annual financial statements of WolfStrike Rentals Group Limited (the 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 these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2015, together with any public announcements made during the following half-year.

The accounting policies and methods of computation adopted in the preparation of the half year financial statements are consistent with those adopted and disclosed in the Company's 2015 annual financial report for the financial year ended 30 June 2015, unless otherwise stated. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

New accounting standards adopted for these interim financial statements

A number of new standards, amendments to standards and interpretations that are effective or are available for early adoption have been applied for the first time in preparing these financial statements. These include amendments to AASB 9 Financial Instruments (mandatory from 1 January 2018) and AASB 15 Revenue from Contracts (mandatory for calendar years from 2018). The adoption of these new standards continues the accounting policy of adopting all accounting standards that are available for early adoption, as this provides its financial report users with the most relevant and reliable information necessary for understanding its financial position and performance. None of the standards which were adopted had any effect on these financial statements nor on its comparative results.

Contingent liabilities and assets

As at 31 December 2015 there were no contingent assets and liabilities applicable to the Company.

Operating Segment

The Company continued to operate as one segment during the period, being the evaluation of investment opportunities in the Australasia region.

2. GOING CONCERN BASIS AND SUBSEQUENT EVENTS

The half year financial statements have been prepared on a going concern basis notwithstanding that the Company recorded a net deficiency of assets as at 31 December 2015 totalling \$2,015,460. The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation:

A proposed transaction with WolfStrike

On 13 November 2014, the Company announced to the market that it had entered into an agreement to acquire 100% of WolfStrike Rental Services Limited and its associated distribution companies (WolfStrike). WolfStrike is an information technology company with a core focus on renting technological products and services to the SME market. This coupled with an established rental book of approximately \$8,380,000 means that the WolfStrike group of companies are currently profitable (the audited accounts of the WolfStrike companies showed combined profit of \$2,522,000 for the six months to 30 September 2015).

The deal was subject to a number of conditions precedent clauses.

The conditions precedent which were satisfied at a shareholder meeting on 20th March 2015 included:

- A change of name of the Company to WolfStrike Rentals Group Limited;
- A share consolidation of 2 for 1 shares in CFT Energy Limited; and
- Approval from shareholders to acquire the WolfStrike Group as set out in the notice of meeting.

The final condition precedent clause, the requotation of the Company's securities on the Australian Securities Exchange (ASX), is yet to occur and as such the WolfStrike Acquisition is yet to complete.

The Company has satisfied most of the conditions required to gain requotation. In order to re-comply with Chapters 1 and 2 of the ASX relisting rules the Company has issued a Replacement Prospectus to raise \$2,000,000 with a minimum spread of 300 individual Australian Shareholders. The Replacement Prospectus opened on 24 December 2015 and currently has a close date of 10 March 2016 with an anticipated requotation date of 24 March 2016.

The Company has sought and been granted several waivers from the ASX in regard Listing Rule 14.7 and the issuance of various shares approved at the EGM held on 20 March 2015. On 5 February 2016, these waivers were extended by ASX. The WolfStrike acquisition, capital raising, promoter and adviser shares now can be issued no later than 31 March 2016.

The Company anticipates that the proceeds both from the Prospectus and in the short-term from the convertible notes will be sufficient to provide the Company with working capital to meet its operational needs.

Letter of financial support

The directors have received a letter of financial support from parties associated with the proposed WolfStrike transactions. The letter from the parties associated with the WolfStrike acquisition confirm, subject to the completion of the WolfStrike transaction, that WolfStrike intends to provide additional financial support, if required, so that the Company has sufficient working capital to continue its operations for a period of at least twelve months from 23 February 2016, or to such point in time that the Company will have sufficient reserves of working capital that such financial support is not necessary.

Parties associated with the WolfStrike acquisition also confirm, subject to the completion of the WolfStrike acquisition that they will not call upon amounts owing to them for a period of at least 12 months from the date of this report.

If the above matters do not eventuate, the Company may not be able to continue as a going concern. This may necessitate a revaluation of its assets and / or a reclassification of its liabilities in the Statement of Financial Position and an adjustment to profit or loss due to these changes.

3. CONVERTIBLE NOTES

In November and December 2015, the outstanding Convertible Note and Loan agreements were varied such that:

- either the noteholder or the Company has the right to convert the loans into ordinary shares on the basis of one note for one share after certain conditions are met (the most material of which is the Company receiving in principle approval for the re-quotation of its shares from the ASX);
- the maturity dates are now between February 2017 through to May 2017;
- for each share issued to a noteholder upon conversion, the noteholder will be issued one bonus share in the Company and an option to subscribe for shares in the Company (the option has a strike price of 2 cents and a life of 24 months); and
- On conversion and upon the issue of bonus shares and options the noteholder will waive all interest accrued on the face value of the notes.

If the Company does not achieve re-quotation, the right to convert the Notes remains with the noteholder.

4. FAIR VALUE MEASUREMENT

Due to the nature of the Company's operating profile, the Directors and management do not consider that the fair values of the Company's financial assets and liabilities are materially different from their carrying amounts at 31 December 2015.

5. EARNINGS PER SHARE

Loss for six months ending 31 December 2015	(621,028)	(252,775)
Loss per share		
Basic and diluted loss per share (cents)	(1.62)	(0.70)
Weighted average number of shares used for calculating basic and diluted loss per share (which excludes the effect of convertible notes as this would be anti-dilutive) – comparative results are adjusted for the effect of the 2:1 consolidation which occurred on 20 March 2015	38,446,340	35,800,100

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The accompanying financial statements (restated) and notes are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. 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.

The declaration is made in accordance with a resolution of the Board of Directors:

A handwritten signature in dark ink, appearing to read 'Robin Armstrong', written over a horizontal line.

Director

Robin Armstrong

Dated this 29th day of February, 2016
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WOLFSTRIKE RENTALS GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Wolfstrike Rentals Group Limited (the company), which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Wolfstrike Rentals Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WOLFSTRIKE RENTALS GROUP LIMITED (CONT)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Wolfstrike Rentals Group Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter - Going concern

Without modifying our conclusion, we draw attention to Note 2 in the financial report which indicates that the company incurred a net loss of \$621,028 during the half year ended 31 December 2015. This condition, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business.



William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136



N. S. Benbow
Director

Dated this 29th day of February, 2016