

# **FARMAFORCE LIMITED**

ACN 167 748 843

**Appendix 4D and  
Half Year  
Financial Results  
For the 6 Months  
Ended 31  
December 2015**

# ASX Appendix 4D

Provided below are the results for announcement to the market in accordance with Australian Securities Exchange ('ASX') Listing Rule 4.2A and Appendix 4D for FarmaForce Limited ('FarmaForce or the 'Company') and its controlled entities for the 6 months ended 31 December 2015 and the previous corresponding period 31 December 2014.

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

### Consolidated Results

	31 December 2015 \$'000	31 December 2014 \$'000	Movement Up/down	Movement %
Revenue	1,360	649	up	200%
Loss from ordinary activities after tax attributable to members	(1,483)	(247)	up	600%
Net profit (loss) for the period attributable to members	(1,483)	(247)	up	600%

For commentary on the results and outlook, refer to attached 31 December Half-Year Financial Report.

### Dividends

No dividends have been paid or declared during the reporting or previous corresponding period, nor do the directors recommend the declaration of a dividend.

Dividends (distributions)	Franked amount per security	Amount per security
Interim dividend	nil	nil
Final dividend	nil	nil

## OTHER

### Net tangible assets

Net tangible assets per security with the comparative figure for the previous corresponding period:

Current period:	3 cents
Previous corresponding period:	N/A

### Control gained over entities having material effect

FarmaForce has neither gained control nor lost control over an entity during the period which has had a material effect.

### Details of associates

For details of the Company's associates, refer to page 17 of the attached 31 December Half-Year Financial Report.

### Audited Accounts

The accounts have been audited and are not subject to dispute or qualification.

# **FarmaForce Limited**

ACN 167 748 843

## **Financial Statements**

**For the Half Year Ended 31 December 2015**

**FarmaForce Limited**

**ACN 167 748 843**

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**For the Half Year Ended 31 December 2015**

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# FarmaForce Limited

ACN 167 748 843

## Directors' Report

31 December 2015

The directors present their report on FarmaForce Limited for the half year ended 31 December 2015.

### 1. General information

#### Information on directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
George Syrmalis	Director (Non-executive)	24/11/2015
Con Tsigounis	Director (Non-executive)	22/06/2015
George Elias	Director (Independent non-executive)	02/04/2015
Stamatia Toliás	Director (Independent non-executive)	02/04/2015
Daniel Morato	Director (Executive)	07/04/2015 to 23/11/2015

#### Principal activities

The principal activity of FarmaForce Limited during the half year was the provision of services as a contract sales organisation.

No significant changes in the nature of the Company's activity occurred during the financial year.

### 2. Operating results and review of operations for the year

#### Operating results

The profit/(loss) of the Company after providing for income tax amounted to (\$1,483,298) (2014: (\$739,097)).

#### Dividends paid or recommended

No dividends were paid or declared since the start of the half year. No recommendation for payment of dividends has been made.

#### Review of operations

FarmaForce is Australia's most innovative Pharmaceutical sales organisation and is currently executing various transactions with multinational pharmaceutical companies. FarmaForce's business is growing rapidly as we have successfully embarked on implementing the company's strategy of being an integrated strategic partner to our clients.

### 3. Other items

#### Significant changes in state of affairs

The Company successfully listed on the ASX on 27th October 2015 via an IPO which raised \$5.077m.

No matters or circumstances have arisen since the end of the half financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

# FarmaForce Limited

ACN 167 748 843

## Directors' Report

31 December 2015

### Indemnification and insurance of officers and auditors

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2015 has been received and can be found on page 3 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:  .....  
George Elias

Dated this 26<sup>th</sup> ..... day of February ..... 2016

**FarmaForce Limited**

ACN: 167 48 843

**Auditors Independence Declaration under Section 307C of the Corporations Act 2001**

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

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

Fortunity Assurance



TR Davidson  
Partner

155 The Entrance Road, Erina, NSW

Dated this 26<sup>th</sup> day of February 2016

# FarmaForce Limited

ACN 167 748 843

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

		2015	2014
		\$	\$
Revenue	3	1,362,134	649
Cost of Goods Sold		(1,368,929)	-
Employee benefits expense	4	(462,204)	(247,366)
Shared overhead costs		(322,225)	(266,349)
Depreciation and amortisation expense	4	(16,692)	(8,514)
Other expenses		(605,910)	(217,360)
IPO and listing costs		(69,046)	-
Finance costs	4	(426)	(157)
<b>Profit/(Loss) before income tax</b>		<b>(1,483,298)</b>	<b>(739,097)</b>
Income tax expense		-	-
<b>Profit/(Loss) for the half year</b>		<b>(1,483,298)</b>	<b>(739,097)</b>
<b>Other comprehensive income, net of income tax</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income</b>		<b>(1,483,298)</b>	<b>(739,097)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)		(0.07)	-
Diluted earnings per share (cents)		(0.07)	-

The accompanying notes form part of these financial statements.



# FarmaForce Limited

ACN 167 748 843

## Statement of Financial Position

31 December 2015

		31 December 2015	30 June 2015
	Note	\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5	3,558,759	1,206,008
Trade and other receivables	6	1,221,765	294,145
<b>TOTAL CURRENT ASSETS</b>		<b>4,780,524</b>	<b>1,500,153</b>
NON-CURRENT ASSETS			
Trade and other receivables	6	380	-
Investments in associates	15	264,000	-
Property, plant and equipment	7	248,328	153,179
<b>TOTAL NON-CURRENT ASSETS</b>		<b>512,708</b>	<b>153,179</b>
<b>TOTAL ASSETS</b>		<b>5,293,232</b>	<b>1,653,332</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	8	622,166	265,817
Borrowings	9	-	2,903,961
Other liabilities	10	534,856	149,579
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,157,022</b>	<b>3,319,357</b>
NON-CURRENT LIABILITIES			
<b>TOTAL LIABILITIES</b>		<b>1,157,022</b>	<b>3,319,357</b>
<b>NET ASSETS</b>		<b>4,136,210</b>	<b>(1,666,025)</b>
<b>EQUITY</b>			
Issued capital	11	9,217,969	1
Convertible notes		-	854,463
Capital raising costs		(1,168,746)	(90,774)
Retained earnings		(3,913,013)	(2,429,715)
<b>TOTAL EQUITY</b>		<b>4,136,210</b>	<b>(1,666,025)</b>

The accompanying notes form part of these financial statements.

# FarmaForce Limited

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## Statement of Changes in Equity For the Half Year Ended 31 December 2015

2015

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
<b>Balance at 1 July 2015</b>	<b>763,690</b>	<b>(2,429,715)</b>	<b>(1,666,025)</b>
Capital raising costs	(1,077,972)	-	(1,077,972)
Total other comprehensive income	-	(1,483,298)	(1,483,298)
Shares issued during the half year	5,459,544	-	5,459,544
Convertible notes recognised as shares during the half year	2,903,961	-	2,903,961
<b>Balance at 31 December 2015</b>	<b>8,049,223</b>	<b>(3,913,013)</b>	<b>4,136,210</b>

2014

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
<b>Balance at 1 July 2014</b>	1	(378,493)	(378,492)
Capital raising costs	(25,553)	-	(25,553)
Convertible notes classified as equity	388,018	-	388,018
Total other comprehensive income	-	(739,097)	(739,097)
<b>Balance at 31 December 2014</b>	<b>362,466</b>	<b>(1,117,590)</b>	<b>(755,124)</b>

The accompanying notes form part of these financial statements.

# FarmaForce Limited

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## Statement of Cash Flows

For the Half Year Ended 31 December 2015

	31 December 2015	31 December 2014
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	903,843	14,897
Payments to suppliers and employees	(2,649,098)	(855,783)
Interest received	20,576	-
Interest paid	(426)	(157)
Net cash used by operating activities	<u>(1,725,105)</u>	<u>(841,043)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(111,841)	(24,718)
Investment in associates	(264,000)	-
Net cash used by investing activities	<u>(375,841)</u>	<u>(24,718)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	5,077,041	-
Proceeds from the issue of convertible notes	-	946,128
Proceeds from borrowings	72,125	-
Payment of capital raising costs	(695,469)	(25,553)
Net cash provided by financing activities	<u>4,453,697</u>	<u>920,575</u>
Net increase/(decrease) in cash and cash equivalents held	2,352,751	54,814
Cash and cash equivalents at beginning of year	<u>1,206,008</u>	<u>189,867</u>
Cash and cash equivalents at end of half year	5 <u><u>3,558,759</u></u>	<u><u>244,681</u></u>

The accompanying notes form part of these financial statements.

# FarmaForce Limited

ACN 167 748 843

## Notes to the Financial Statements For the Half Year Ended 31 December 2015

The half year financial report covers FarmaForce Limited as an individual entity. FarmaForce Limited is a for-profit Company, incorporated and domiciled in Australia.

The functional and presentation currency of FarmaForce Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

This condensed interim financial report for the reporting period ending 31 December 2015 has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of FarmaForce Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within FarmaForce Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of FarmaForce Limited for the year ended 30 June 2015, 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 financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

#### Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

# FarmaForce Limited

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## Notes to the Financial Statements

For the Half Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies continued

#### (b) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

#### (c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Plant and Equipment	10% to 33%
Furniture, Fixtures and Fittings	5% to 33%
Leasehold improvements	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies continued

#### (d) Financial instruments continued

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies continued

#### (d) Financial instruments continued

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Company's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (g) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### (h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies continued

#### (i) Basis for consolidation

The financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 15 to the financial statements.

#### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 to direct the relevant activities of the entity.

#### *Associates*

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

#### (j) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.



# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 3 Revenue and Other Income

#### Revenue from continuing operations

	31 December 2015	31 December 2014
	\$	\$
Revenue		
- Contract Revenue	1,341,558	649
Finance income		
- Other interest received	20,576	-
<b>Total Revenue</b>	<b>1,362,134</b>	<b>649</b>

### 4 Result for the Half Year

The result for the half year includes the following specific expenses:

Finance Costs		
- Other interest expense	426	157
Other expenses:		
- Employee benefits expense	462,204	247,366
- Depreciation of property, plant and equipment	16,692	8,514

### 5 Cash and Cash Equivalents

	31 December 2015	30 June 2015
	\$	\$
Cash at bank and on hand	3,558,759	1,206,008
	<b>3,558,759</b>	<b>1,206,008</b>

# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 6 Trade and Other Receivables

	31 December 2015	30 June 2015
	\$	\$
CURRENT		
Trade receivables	959,691	209,332
	<u>959,691</u>	<u>209,332</u>
Prepayments	71,563	47,674
Related party receivables	10,633	-
Other receivables	179,878	37,139
	<u>1,221,765</u>	<u>294,145</u>
<b>Total current trade and other receivables</b>		
NON-CURRENT		
Deposits	380	-
	<u>380</u>	<u>-</u>
<b>Total non-current trade and other receivables</b>		

### 7 Property, plant and equipment

PLANT AND EQUIPMENT		
Plant and equipment		
At cost	104,652	85,407
Accumulated depreciation	(21,439)	(10,643)
	<u>83,213</u>	<u>74,764</u>
Furniture, fixtures and fittings		
At cost	35,316	13,588
Accumulated depreciation	(2,918)	(1,844)
	<u>32,398</u>	<u>11,744</u>
Leasehold Improvements		
At cost	144,845	73,977
Accumulated amortisation	(12,128)	(7,306)
	<u>132,717</u>	<u>66,671</u>
<b>Total property, plant and equipment</b>	<u>248,328</u>	<u>153,179</u>

# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 7 Property, plant and equipment continued

#### Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial half year:

	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Improvements \$	Total \$
<b>Year ended 31 December 2015</b>				
Balance at the beginning of year	74,764	11,744	66,671	153,179
Additions	19,245	21,728	70,868	111,841
Depreciation expense	(10,796)	(1,074)	(4,822)	(16,692)
<b>Balance at the end of the half year</b>	<b>83,213</b>	<b>32,398</b>	<b>132,717</b>	<b>248,328</b>

	Plant and Equipment \$	Furniture, Fixtures and Fittings \$	Improvements \$	Total \$
<b>Year ended 30 June 2015</b>				
Balance at the beginning of year	17,785	8,981	69,145	95,911
Additions	67,579	4,568	5,275	77,422
Disposals - written down value	(109)	-	(460)	(569)
Depreciation expense	(10,491)	(1,805)	(7,289)	(19,585)
<b>Balance at the end of the year</b>	<b>74,764</b>	<b>11,744</b>	<b>66,671</b>	<b>153,179</b>

### 8 Trade and Other Payables

	31 December 2015 \$	30 June 2015 \$
CURRENT		
Unsecured liabilities		
Trade payables	350,425	22,318
Employee provisions	43,488	45,508
Related party payables	90,091	7,333
Other payables	138,162	190,658
	<b>622,166</b>	<b>265,817</b>
	<b>622,166</b>	<b>265,817</b>

# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 9 Borrowings

	31 December 2015	30 June 2015
	\$	\$
CURRENT		
Unsecured liabilities:		
Convertible notes	-	2,903,961

During the half year, the Company successfully listed on the Australian Stock Exchange. At this date, the outstanding convertible notes were converted to ordinary shares in the Company.

### 10 Other Liabilities

CURRENT		
Amounts invoiced for services not yet completed at year end	<u>534,856</u>	<u>149,579</u>

### 11 Issued Capital

(Dec 2014: 1 ) Ordinary shares	8,937,542	1
Share premium	<u>280,427</u>	-
<b>Total</b>	<u><b>9,217,969</b></u>	<u><b>1</b></u>

#### (a) Movements in ordinary share capital

	No.	No.
At the beginning of the reporting period	1	1
Shares issued during the year:		
Conversion of notes previously classified as a liability	19,302,500	-
Issues of shares	<u>108,198,479</u>	-
At the end of the reporting period	<u><b>127,500,980</b></u>	<u><b>1</b></u>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

### 12 Dividends

There were no dividends declared or paid in the current or previous financial half year.

# FarmaForce Limited

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## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### 13 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the half year is shown below:

	31 December 2015	30 June 2015
	\$	\$
Short-term employee benefits	109,579	168,000
Post-employment benefits	8,723	15,960
	<u>118,302</u>	<u>183,960</u>

### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2015 (31 December 2014:None).

### 15 Interests in Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2015	Percentage Owned (%)* 2014
<b>Associates:</b>			
New Frontier Holdings LLC	USA	20	-

\*The percentage of ownership interest held is equivalent to the percentage voting rights.

### 16 Related Parties

(a) The Company's main related parties are as follows:

(i) Entities exercising control over the Company:

The ultimate parent entity, which exercises control over the Company, is iQnovate Ltd which is incorporated in Australia and owns 70.6% of FarmaForce Limited.

# FarmaForce Limited

ACN 167 748 843

## Notes to the Financial Statements For the Half Year Ended 31 December 2015

### (b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	<b>Shared services revenue</b>	<b>Shared overhead costs</b>	<b>Consulting fees paid</b>	<b>Other transactions</b>	<b>Balance outstanding</b>	
					<b>Owed to the company</b>	<b>Owed by the company</b>
Parent - iQnovate Ltd	-	-	-	-	-	330,615
Related parties	36,364	322,224	30,811	905,895	-	36,085

Transactions described as Other transactions comprise capital raising fees of \$755,895 and underwriting fees of \$150,000.

### 17 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### 18 Company Details

The registered office of and principal place of business of the company is:

FarmaForce Limited  
Level 3  
222 Clarence Street  
Sydney NSW

**FarmaForce Limited**


ACN 167 748 843

**Directors' Declaration**

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 4 to 18 are in accordance with the *Corporations Act 2001*, including:
  - a. comply with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. give 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 with the continuing support of creditors.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....   
George Elias

Dated this 26th day of February 2016

**FarmaForce Limited**

ACN: 167 48 843

## **Independent Auditor's Review Report to the members of FarmaForce Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of FarmaForce Limited, which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed 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 FarmaForce 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of FarmaForce Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



**FarmaForce Limited**

ACN: 167 48 843

## Independent Auditor's Review Report to the members of FarmaForce Limited

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of FarmaForce 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 Corporations Regulations 2001*.

Fortunity Assurance



TR Davidson  
Partner

155 The Entrance Road, Erina, NSW

Dated this 26<sup>th</sup> day of February, 2016