

ASX ANNOUNCEMENT

28 February 2017

Lodgement of Interim Financial Report (appendix 4D)

In accordance with the Listing Rules, please find attached the interim Financial report (appendix 4D) for Tikforce Ltd (ASX code: TKF) for the half year ended 31 December 2016.

The information contained in this report should be read in conjunction with the 2016 Annual Report.

For further information, contact:

Roland Berzins
Company Secretary

28 February 2017

TikForce Limited

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abn 74 106 240 475

TIKFORCE LTD.
ABN 74 106 240 475
CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2016

Summary for announcement to market

Key Information	Half year 31 Dec 2016 \$'000	Half year 31 Dec 2015 \$'000	Direction	Percentage Change
Revenue from ordinary operations	470	24	UP	18.58%
Profit / (loss) after tax from ordinary activities	(1,301)	(344)	Down	2.78%
Net profit / (loss) attributable to members	(1,301)	(344)	Down	2.78%

Dividends	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Record date for determining entitlement to dividend	N/A	N/A

Profit / (loss) per share attributable to the ordinary equity holder of the Company	31 Dec 2016 cents	31 Dec 2015 cents
Basic Profit / (loss) per share	(1.06)	(5,725.47)

Net tangible asset backing per share	31 Dec 2016 cents	31 Dec 2015 cents
	1.55	425,820

TIKFORCE LTD.

ABN 74 106 240 475

**CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED**

31 DECEMBER 2016

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITIES
ABN 74 106 240 475**

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**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITIES
ABN 74 106 240 475
DIRECTORS' REPORT**

Your directors present their report on Tikforce Limited and its controlled entities ("the consolidated entity" or "group") for the half-year ended 31 December 2016. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

DIRECTORS

The names of the directors and officers who held office during or since the end of the half-year are:

Mr Peter Woods	Non Executive Chairman	Appointed 11 July 2012
Mr Ian Murie	Non Executive Director	Appointed 13 April 2011
Mr Roland Berzins	Non Executive Director	Appointed 10 March 2015
Mr Roland Berzins	Company Secretary	Appointed 27 January 2012

Directors and officers were in office for the entire period and until the date of this report unless otherwise stated.

DIVIDENDS

No dividends were paid or declared during the period. No recommendation for the payment of dividends has been made.

REVIEW OF RESULTS OF OPERATIONS

The net loss of the consolidated entity after income tax attributable to members for the half-year ended 31 December 2016 amounted to \$1,300,776 (Half year ended 31 December 2015 a loss of \$343,528).

BUSINESS ACTIVITY

Tikforce Operations Pty Ltd continued to build a robust and maturing sales pipeline in parallel with product release. We have implemented trials within both the recruitment and resources shutdown industries over the last quarter.

Concentrated interest in our Entity portal and Workready compliance solution has been significant from both a supply chain management perspective as well as direct employee engagement. We continue to explore advanced revenue opportunities with the Job Seeker, Financial and Health sectors. Of note our product has received interest from the insurance sector as a risk mitigation tool/strategy.

For more information please refer to our website: www.tiforce.com

SUBSEQUENT EVENTS

In the interval between the end of the half year and the date of this report, there has not arisen any item, transaction event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect the operations of the consolidated entity, the results of these operations or the state of affairs of the consolidated entity in subsequent years.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the *Corporations Act 2001* requires our auditors, Greenwich and Co, to provide the directors of the consolidated entity with an Independence Declaration in relation to the review of the half-year report. This Independence Declaration is set out on page 16 and forms part of this directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to Section 306(3) of the *Corporations Act 2001*.



R H Berzins – Director Dated this 28th day of February 2017, Perth, Western Australia.

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITY
ABN 74 106 240 475**

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	NOTE	Half Year Ended 31 DECEMBER 2016 \$	Half Year Ended 31 DECEMBER 2015 \$
Continuing operations			
Sales Revenue	2	470,174	24,764
Total Revenue		470,174	24,764
Employee benefit expenses		(828,743)	(113,509)
Consulting fees		(156,464)	(210,181)
Compliance and regulatory expenses		(143,094)	(1,388)
Advertising & Marketing		(54,682)	(13,435)
Legal Fees		(24,457)	-
Impairment of available-for-sale financial assets		(797)	-
Depreciation and amortisation		(157,640)	(174)
Director fees		(41,485)	-
Travel and accommodation expenses		(22,119)	(9,435)
Occupancy expenses		(77,843)	-
Cost of Sales		176	198
Financial Cost		(6)	-
Other expenses		(263,796)	(20,368)
Total Operating expenses		(1,770,950)	(368,292)
Loss from continuing operations before income tax expense		(1,300,776)	(343,528)
Income tax expense		-	-
Loss for the period		(1,300,776)	(343,528)
Total comprehensive income for the period		(1,300,776)	(343,528)
Total comprehensive income for the period attributable to:			
Basic and diluted loss per share (cents)		(1.06)	(5,725.47)

The accompanying notes form part of these financial statements

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITIES
ABN 74 106 240 475**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	NOTE	31 DECEMBER 2016 \$	30 JUNE 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		1,692,039	1,794,644
Trade and other receivables	5	637,871	151,469
Financial assets		4,074	4,871
Other assets		47,466	-
TOTAL CURRENT ASSETS		2,381,450	1,950,984
NON-CURRENT ASSETS			
Property, plant and equipment		14,134	3,150
Intangible assets		2,057,982	2,209,789
TOTAL NON-CURRENT ASSETS		2,072,116	2,212,939
TOTAL ASSETS		4,453,566	4,163,923
CURRENT LIABILITIES			
Trade and other payables	6	312,006	875,550
Provisions		85,399	37,870
TOTAL CURRENT LIABILITIES		397,405	913,420
TOTAL LIABILITIES		397,405	913,420
NET ASSETS		4,056,161	3,250,503
EQUITY			
Contributed equity	7	8,807,171	6,700,737
Reserves		956,045	956,045
Accumulated losses		(5,707,055)	(4,406,279)
Total Equity		4,056,161	3,250,503

The accompanying notes form part of these financial statements

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITY
ABN 74 106 240 475**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

	Issued Capital	Option Premium Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Consolidated 31 December 2016				
Balance at 1 July 2016	6,700,737	956,045	(4,406,279)	3,250,503
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(1,300,776)	(1,300,776)
Total comprehensive loss for the period	-	-	(1,300,776)	(1,300,776)
<i>Transactions with owners, recorded directly as equity</i>				
Other shares issued	2,277,095	-	-	2,277,095
Cost of Capital	(170,661)	-	-	(170,661)
Total transactions with owners	2,106,434	-	-	2,106,434
Balance as at 31 December 2016	8,807,171	956,045	(5,707,055)	4,056,161

The accompanying notes form part of these financial statements

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITY
ABN 74 106 240 475**

	Issued Capital	Option Premium Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Consolidated 31 December 2015				
Balance at 1 July 2015	10	-	17,693	17,703
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(343,528)	(343,528)
Total comprehensive loss for the period	-	-	(343,528)	(343,528)
<i>Transactions with owners, recorded directly as equity</i>				
Other shares issued	50	-	-	50
Total transactions with owners	50	-	-	50
Balance as at 31 December 2015	60	-	(325,835)	(325,775)

The accompanying notes form part of these financial statements

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITY
ABN 74 106 240 475**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	NOTE	HALF YEAR ENDED 31 DECEMBER 2016 \$	HALF YEAR ENDED 31 DECEMBER 2015 \$
Cash Flow from Operating Activities			
Receipt from customers		388,013	41,438
Payment to suppliers and employees		(2,102,343)	(217,680)
Net cash used in operating activities		<u>(1,714,330)</u>	<u>(176,243)</u>
Cash Flow from Investing Activities			
Payment for intangible ssets		(5,833)	-
Payment for property, plant and equipment		(10,984)	-
Repayments from relates parties		-	13,715
Loans to related parties		(10,000)	-
Net cash used in investing activities		<u>(26,817)</u>	<u>13,715</u>
Cash Flow from Financing Activities			
Proceeds from issue of shares		1,882,854	50
Cost of issuing shares		(170,661)	-
Proceeds from borrowings		-	245,682
Repayment of borrowings		(73,651)	(68,730)
Net cash provided by financing activities		<u>1,638,542</u>	<u>177,002</u>
Net increase in cash held		(102,605)	14,474
Cash and cash equivalents at the beginning of the period		<u>1,794,644</u>	<u>3,181</u>
Cash and cash equivalents at the end of the period		<u><u>1,692,039</u></u>	<u><u>17,655</u></u>

The accompanying notes form part of these financial statements.

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITY
ABN 74 106 240 475**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, applicable accounting standards including AASB 134 Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ("AASB"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the consolidated entity as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by the Company during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001* and the ASX Listing Rules.

Basis of preparation

The condensed half-year consolidated financial statements have been prepared on the basis of historical cost except for financial instruments and available-for-sale financial assets which are measured at fair value. Cost is based on the fair values of the consideration given in exchange for assets.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as outlined below.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

Acquisition of Tikforce Operations Pty Ltd

On 31 March 2016 Tikforce Ltd (formerly called Palace Resources Ltd) completed the legal acquisition of Tikforce Operations Pty Ltd. Under the Australian Accounting Standards, Tikforce Operations Pty Ltd was deemed to be the accounting acquirer in the transaction. The acquisition has been accounted for as a share based payments by which Tikforce Operations Pty Ltd acquires the net assets and listing status of Tikforce Ltd.

Accordingly, the 31 December 2016 consolidated financial statements of Tikforce Ltd were prepared as a continuation of the business and operations of Tikforce Operations Pty Ltd. As the deemed acquirer Tikforce Operations Pty Ltd has accounted for the acquisition of Tikforce Ltd from 31 March 2016.

**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 – (CONT.)**

Going concern

The interim financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The consolidated entity had net assets of \$4,056,161 at 31 December 2016 (30 June 2016 Assets \$3,250,503), incurred a net loss after tax for the six months ended 31 December 2016 of, \$1,300,776 and experienced net cash outflows from operating activities of \$1,714,330 for six months to 31 December 2016.

The Company' continuing viability, its ability to continue as a going concern and to meet its debts and commitments as and when they fall due, are subject to the Company being successful in:

- Continuing to develop profitable cash flows from current activities – The Group has been on a number of development projects with national and global companies. Some of these projects are in commercial negotiations and others have advanced to “in – market trials” stages. Whilst no assurance can be given, it is expected that on successful outcomes, these development projects can be significantly contribute positively to the groups cash flow;
- Controlling costs – The Group will continue to look for avenues to reduce costs as it develops its operations;
- Accessing additional capital / debt – The Company has a track record of capital raising through share placement. During the current half year, the Company raised a further \$2.1M via the placement to sophisticated investors and a rights issue of a further 52.442M FPO.

Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June each year. The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tikforce Limited ("Company" or "parent entity") as at 30 June 2016 and the results of all subsidiaries for the year then ended. Tikforce Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Entity.

The Group has been formed following the transaction with Tikforce Ltd (formerly Palace Resources Limited) and the Tikforce Operations Pty Ltd. On 31 March 2016, Tikforce Limited (formally Palace Resources Limited), the legal parent and legal acquirer, completed the acquisition of Tikforce Operations Pty Ltd. The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead, the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB3 Business combinations given the substance of the transaction is that Tikforce Operations Pty Ltd has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if Tikforce Operations Pty Ltd had acquired Tikforce Limited, not vice versa as represented by the legal position.

The recapitalisation is measured at the fair value of the equity instruments that would have been given by Tikforce Operations Pty Ltd to have exactly the same percentage holding in the new structure at the date of the transaction.

**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 – (CONT.)**

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and potential effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in subsidiaries are accounted for at cost in the separate financial statements of Tikforce Limited.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non – controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non – controlling interests in the acquiree at fair value or at the proportionate shares of the acquiree identifiable net assets. Acquisition – related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed to be appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at the fair value at the acquisition date. Contingent conditions classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in fair value recognised in the statement of profit and loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non – controlling interest) and any previous interest held over the net identifiable assets acquired and liability assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re- assesses whether it has correctly identified all of the assets and all of the liabilities assumed and reviews the procedure used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 – (CONT.)**

After initial recognition, goodwill is measured at cost less any accumulated impairment loss. For the purpose of impairment testing, goodwill acquired in a business is, from the acquisition date, allocated to each of the Group's cash – generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash generating unit (CGU), and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the proportion of cash – generating units retained.

Significant Accounting Judgements and Key Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Adoption of new and revised Accounting Standards

The consolidated entity has reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2016. The consolidated entity has decided against early adoption of any new Standards and Interpretations. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to consolidated entity accounting policies.

NOTE 2: LOSS FOR THE PERIOD

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	31 December 2016	31 December 2015
	\$	\$
Revenue	470,174	24,764
Employee benefits	(828,743)	(210,181)
Consulting fees	(156,465)	(210,181)

NOTE 3: SEGMENT REPORTING

During the year the consolidated entity operated predominantly in one business segment, that being information technology for the development of its Tikforce platform, which enable increasingly mobile and freelance workers to better control where, for whom and when they work, and enable organisations to better manage their increasingly flexible workforce. The geographical segments is Australia.

**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 – (CONT.)**

NOTE 4: COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

Operating lease commitments

The Group had no future non-cancellable operating lease liabilities at 31 December 2016 (2015: nil).

Contingent liabilities

On 11 December 2011, Tikforce entered into an Identity Service Master Agreement with Australian Postal Corporation (Australia Post) under which Australia Post would act as an agent for Tikforce for the principal purpose of conducting identity checks on individuals to confirm certain credentials, in this capacity.

Australia Post have now reached a compromise position concerning this matter and are negotiating a review of the whole principle concerning Australia Post's involvement and commitment.

Australia Post and Tikforce have completed a deed of release from this initial contract and both parties acknowledge that there is not payments due or payable by either party, with respect to this matter.

NOTE 5: TRADE AND OTHER RECEIVABLES

	31 December 2016	30 June 2016
	\$	\$
Trade and other receivables	637,871	151,469
	<u>637,871</u>	<u>151,469</u>

- (i) Balance as at 31 December 2015 relates to a loan to TikForce Holdings Pty Ltd and Min –Trak Pty Ltd.

NOTE 6: TRADE AND OTHER PAYABLES

	31 December 2016	30 June 2016
	\$	\$
Trade Payables	312,006	875,550
	<u>312,006</u>	<u>875,550</u>

**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 - (CONT.)**

NOTE 7: ISSUED CAPITAL

	31 December 2016	Number of Shares
	\$	
Balance as at 30 June 2016	6,700,737	117,767,564
Consolidation (1:100 rounded down)	-	-
Balance following consolidation	6,700,737	117,767,564
Placement (31 Oct 2016)	500,000	10,000,000
Rights issue	1,722,095	34,441,891
Consideration for Placement Management Services	55,000	8,000,000
Costs of issue	(170,661)	-
Balance as at 31 December 2016	8,807,171	170,209,455

As at 31 December 2016, the Company had on issue 47,220,960 options. The options had an exercise price of \$0.11 each and an expiry date of 31 March 2018.

Performance Shares

Effective 31 March 2015 a total of 41,000,000 Performance Shares were issued, divided as follows:

<ul style="list-style-type: none"> (a) 8,000,000 (b) 12,000,000 (c) 16,000,000 (d) 2,000,000 (e) 2,000,000 (f) 1,000,000 	<ul style="list-style-type: none"> (a) A Performance Share Milestone will be taken to have been satisfied upon the TikForce Platform achieving 10,000 paid users (b) B Performance Share Milestone will be taken to have been satisfied upon the TikForce Platform achieving 20,000 paid users (c) C Performance Share Milestone will be taken to have been satisfied upon the TikForce Platform achieving 30,000 paid users. (d) D Performance Share Milestone will be taken to have been satisfied upon Min-Trak's annualised gross revenue exceeding \$75,000 per quarter for 2 consecutive quarters. (e) E Performance Share Milestone will be taken to have been satisfied upon Min-Trak's annualised gross revenue exceeding \$375,000 per quarter for 2 consecutive quarters. (f) F Performance Share Milestone will be taken to have been satisfied upon Min-Trak's annualised gross revenue exceeding \$750,000 per quarter for 2 consecutive quarters
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**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 - (CONT.)**

*Performance shares were valued at \$nil, as the probability of performance hurdles being met was assessed as less than probable on the date of acquisition and as at 30 June 2016.

NOTE 8: SUBSEQUENT EVENTS

In the interval between the end of the half year and the date of this report, there has not arisen any item, transaction event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect the operations of the consolidated entity, the results of these operations or the state of affairs of the consolidated entity in subsequent years.

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITY
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DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 4 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and the performance for the half-year ended on that date of the consolidated entity; and
 - (ii) complying with *Accounting Standards and Corporations Regulations 2001* and other mandatory reporting requirements.
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- (c) the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the directors in accordance with Section 295A of the *Corporations Act 2001* for the half year ended 31 December 2016.

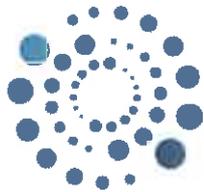
This declaration has been made in accordance with a resolution of the directors.

On behalf of the Directors



R H Berzins
Director

Dated this 28th day of February 2017



Auditor's Independence Declaration

To those charged with the governance of TikForce Limited

As auditor for the review of TikForce Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

28 February 2017
Perth

Independent Auditor's Review Report

To the members of TikForce Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of TikForce Limited, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, 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 30 June 2017 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 TikForce 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*.

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 TikForce Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the TikForce Limited financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*

Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern

Without modifying our opinion, we draw attention to Note 1 to the financial statements which outlines that the ability of the Group to continue as a going concern is dependent on the ability of the Group to secure additional funding through either the issue of further shares and/or options.

As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not qualified in respect of this matter.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Nicholas Hollens

Nicholas Hollens
Managing Director

28 February 2017
Perth