

ASX ANNOUNCEMENT

28 February 2018

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 2017.

The information contained in this report should be read in conjunction with the 31 December 2017 Half Yearly Report.

For further information, contact:



Mr Kevin Baum

Director

28 February 2018

TIKFORCE LTD.
ABN 74 106 240 475
CONSOLIDATED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2017

Summary for announcement to market

Key Information	Half year 31 Dec 2017 \$'000	Half year 31 Dec 2016 \$'000	Direction	Percentage Change
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Sale Revenue from ordinary operations	232	84	Up	276.19%
Profit / (loss) after tax from ordinary activities	(2,671)	(1,301)	Down	(205.37%)
Net profit / (loss) attributable to members	(2,671)	(1,301)	Down	(205.37%)

Dividends	Amount per security	Franked amount per security
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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 2017 cents	31 Dec 2016 cents
Basic Profit / (loss) per share	(2.00)	(1.06)

Net tangible asset backing per share	31 Dec 2017 cents	31 Dec 2016 cents
	(0.36)	1.55

Additional Appendix 4D disclosure requirements can be found in the directors Report and the 31 December 2017 half- year financial statements.

During the half year ended 31 December 2017, the Company did not acquire or dispose of any subsidia entities.

This report is based on the consolidated half – year financial statements which have been reviewed by (with an emphasis of matter paragraph outlining a material uncertainty relating to the going concern.

TIKFORCE LTD.

ABN 74 106 240 475

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

31 DECEMBER 2017

**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 2017. 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 Duncan Anderson	Chairman	Appointed 18 April 2017
Mr Kevin Baum	Managing Director	Appointed 30 June 2017
Mr Andrew Houtas	Non – Executive Director	Appointed 28 November 2017
Mr Madhukar Bhalla	Company Secretary	Appointed 7 December 2017
Mr Roland Berzins	Non – Executive Director	Retired 28 November 2017
	Company Secretary	Retired 7 December 2017

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 2017 amounted to \$2,671,461 (Half year ended 31 December 2016 a loss of \$1,300,766).

BUSINESS ACTIVITY

Tikforce Ltd, through its wholly owned subsidiary Tikforce Operations Pty Ltd, has continued to develop the TikForce Platform, which is a suite of software applications and IT systems to support the changing labour market and productivity motivated business environment. The TikForce Platform enables potential workers to create a profile with validated credentials that they can share with or link to prospective employers. It also provides employers or organisations, seeking to engage workers, the ability to digitally review proof of identity, and confirm the qualifications, skills and employment documents of workers, thereby ensuring a review of relevant credentials and compliance for both employees and employers. The TikForce Platform also enables communication between employees and employers, as well as job and task tracking, to further provide facts on work productivity and worker suitability.

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, other than:

On 30 January 2018, the Company received a Notice under S249D of the Corporations Act, calling a general meeting of the Company for the purpose of appointing one director to the board and removing one director from the board. The notice was made at the request of requisitioning shareholders who held in excess of 5% of the voting rights of the Company.

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

The Company Officially closed a non – renounceable entitlement offer on 6 February 2018, and issued:

- 4,886,180 FPO via the rights issue uptake and a further 8,770,542 FPO in the shortfall ; and
- 2,443,074 Options via the rights issue uptake and a further 4,385,267 Options in the shortfall.

The Company was able to raise a total of \$204,850 before expenses from the Rights issue Entitlement and Shortfall offers.

On 14 February 2018, the Company announced that the Shortfall offer would be closed and no further FPO or Options would be issued with respect to this offer.

On 14 February 2018, the Company announced that it had engaged UK advisory group Eastern Star Capital (UK) Ltd to assist in a placement to Sophisticated investors and exclusive corporate advisors. The raising was for a placement of 20,000,000 new FPO at an issue price of \$0.02 (to raise up to \$400,000) , with a mandate to raise additional capital up to \$1.1 Million. The cost of such a raising would be a success fee of 6% of the placement sum plus 1 option (expiry 3 years from date of issue and an exercise price of \$0.03 each) for every 3 placement shares issued.

On 16 February 2018, the Company announced that after a careful review and consideration of the request, the Board determined that the request under S249D did not comply with the relevant requirements of the Corporations Act, the ASX Listing Rules and the Company's Constitution and deemed the request invalid, and that the Company did not intend to take any action to convene a general meeting of the Company in respect to the proposed resolutions of the request.

On 22 February 2018, the Company announced that it has entered into a reciprocal distribution agreement with CHAS.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Greenwich and Co Audit Pty Ltd, 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 2017.

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*.



– Director Dated this 28th day of February 2018, 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 2017**

	NOTE	Half Year Ended 31 DECEMBER 2017	Half Year Ended 31 DECEMBER 2016 \$
Continuing operations			
Sales revenue		232,314	84,650
R and D tax incentives		-	385,524
Other income		36,142	-
Total revenue		<u>268,456</u>	<u>470,174</u>
 Director and employee benefit expenses		 (1,132,910)	 (870,228)
Consulting fees		(114,254)	(156,464)
Compliance and regulatory expenses		(62,013)	(143,094)
Advertising & marketing expenses		(8,148)	(54,682)
Legal fees		(16,809)	(24,457)
Impairment expense	5	(997,532)	(797)
Amortisation expense	5	(198,364)	(157,640)
Travel and accommodation expenses		(12,450)	(22,119)
Occupancy expenses		(96,833)	(77,843)
Other expenses		(300,664)	(263,626)
Total operating expenses		<u>(2,939,917)</u>	<u>(1,770,950)</u>
 Loss from continuing operations before income tax expense		 (2,671,461)	 (1,300,776)
 Income tax expense		 -	 -
 Loss for the period		 <u>(2,671,461)</u>	 <u>(1,300,776)</u>
 Total comprehensive income for the period		 <u>(2,671,461)</u>	 <u>(1,300,776)</u>
 Basic and diluted loss per share (cents)		 (1.57)	 (1.06)

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 2017**

	NOTE	31 DECEMBER 2017 \$	30 JUNE 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		176,289	381,598
Trade and other receivables	4	171,058	604,316
Other assets		42,000	44,224
TOTAL CURRENT ASSETS		389,347	1,030,138
NON-CURRENT ASSETS			
Other receivables		82,107	189,289
Property, plant and equipment		15,133	14,802
Intangible assets	5	-	1,195,896
TOTAL NON-CURRENT ASSETS		97,240	1,399,987
TOTAL ASSETS		486,587	2,430,125
CURRENT LIABILITIES			
Trade and other payables	6	526,168	339,832
Borrowings	7	750,000	106,096
Provisions		89,152	97,332
Share application monies received		-	5,375
TOTAL CURRENT LIABILITIES		1,365,320	548,635
TOTAL LIABILITIES		1,365,320	548,635
NET ASSETS		(878,733)	1,881,490
EQUITY			
Contributed equity	8	8,080,668	8,169,430
Reserves		1,450,445	1,450,445
Accumulated losses		(10,409,846)	(7,738,385)
Total Equity		(878,733)	1,881,490

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 2017**

	Issued Capital	Share Based Payment Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Consolidated 31 December 2017				
Balance at 1 July 2017	8,169,430	1,450,445	(7,738,385)	1,881,490
<i>Total comprehensive income for the period</i>				
Loss for the period	-	-	(2,671,461)	(2,671,461)
Total comprehensive loss for the period	-	-	(2,671,461)	(2,671,461)
<i>Transactions with owners, recorded directly as equity</i>				
Cost of Capital	(88,762)	-	-	(88,762)
Total transactions with owners	(88,762)	-	-	(88,762)
Balance as at 31 December 2017	8,080,668	1,450,445	(10,409,846)	(878,733)

The accompanying notes form part of these financial statements

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

	Issued Capital	Share based Payment 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**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	NOTE	HALF YEAR ENDED 31 DECEMBER 2017 \$	HALF YEAR ENDED 31 DECEMBER 2016 \$
Cash Flow from Operating Activities			
Receipt from customers		152,114	2,489
Payment to suppliers and employees		(1,574,197)	(2,102,343)
Interest received		3,770	-
R and D tax incentives received		513,827	385,524
Net cash used in operating activities		(904,486)	(1,714,330)
Cash Flow from Investing Activities			
Payment for intangible assets		-	(5,833)
Payment for property, plant and equipment		(999)	(10,984)
Loans to related parties		-	(10,000)
Net cash used in investing activities		(999)	(26,817)
Cash Flow from Financing Activities			
Proceeds from issue of shares		-	1,882,854
Cost of Issuing shares		(49,824)	(170,661)
Proceeds from borrowings		750,000	-
Repayment of borrowings		-	(73,651)
Net cash provided by financing activities		700,196	1,638,542
Net decrease in cash held		(205,309)	(102,605)
Cash and cash equivalents at the beginning of the period		381,598	1,794,644
Cash and cash equivalents at the end of the period		176,289	1,692,039

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 2017**

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 2017 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 certain financial instruments 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.

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

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 liabilities of \$878,733 at 31 December 2017 (30 June 2017 net assets \$1,881,490), incurred a net loss after tax for the six months ended 31 December 2017 of \$2,671,461 and experienced net cash outflows from operating activities of \$904,486 for six months ended 31 December 2017.

This creates significant uncertainty that may cast doubt as to whether the Company will 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.

**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 2017 – (CONT.)**

The Company's continuing viability, and its ability to continue as a going concern and to pay its debts as and when they fall due, is subject to the Group successfully:

- **Developing profitable cash flows from current activities** – The Group is associated with a number of 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 in the event of 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; and
- **Accessing additional capital / debt** – The Company has a track record of capital raising through share placements.

The directors of the Company has reasonable expectations that the above matters will be achieved and that the Company will continue as a going concern for at least 12 months from the date of this financial report. However, should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in this financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

Borrowings

Non-derivative financial liabilities are measured at amortised cost using the effective interest method. The effective interest method is used to allocate interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments over the expected life of the financial instrument to the net carrying amount of the financial liability.

The embeded derivative is carried at fair value through profit or loss.

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. Aside from judgements and estimates associated with applying the going concern basis (outlined above), this financial report incorporates significant estimates and judgements associated with:

- **Share based payments and derivatives (Note 7)**, which have been valued using models that incorporate various estimates and assumptions; and
- **Impairment of capitalised development costs and intellectual property** – the determination of recoverable amounts involved fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 – (CONT.)**

Adoption of new and revised Accounting Standards

The AASB has issued new standards, amendments and interpretations to existing standards which have been published but are not yet effective, and have not yet been adopted early by the Company. The new standards, amendments and interpretations that may be relevant to the Company's financial statements are provided below.

Standard/Interpretation AASB 9 <i>Financial Instruments</i> AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets	Effective for annual reporting periods beginning on or after 1 January 2018
AASB 15 <i>Revenue from Contracts with Customers</i> AASB 15 <ul style="list-style-type: none"> - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics - expands and improves disclosures about revenue 	1 January 2018
AASB 16 <i>Leases</i> <ul style="list-style-type: none"> - Recognition of a right-of-use asset and liability for all leases - Depreciation of right-of-use assets in line with AASB 116 - Inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability - Inclusion of additional disclosure requirements 	1 January 2019

The Group has yet to determine the impact, material or otherwise, of the new and revised standards and interpretations issued by the AASB that are relevant to its operations.

**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 2017 – (CONT.)**

NOTE 2: SEGMENT REPORTING

The consolidated entity has identified that it only operates in one segment, based on the reports that are reviewed and used by the directors (chief operating decision makers) in assessing performance and allocating resources. The Group's principle activity is the development and sale of its Tikforce platform.

NOTE 3: COMMITMENTS AND CONTINGENT LIABILITIES

Operating lease commitments

The Group leases office space for \$14,000 per month under a contract that expires in July 2020.

Contingent liabilities

As at 30 June 2017, the Group reported that it had no contingent liabilities and there have been no material changes with respect to contingent liabilities since that date, except:

- On 28 February 2018, the Company notified the ASX that Managing Director Kevin Baum made on market purchases of shares during a closed period without prior written clearance. The Company is unable to specifically quantify the impact, if any, this will have on the Managing Director or the Company at this time.

NOTE 4: TRADE AND OTHER RECEIVABLES

	31 December 2017	30 June 2017
	\$	\$
CURRENT		
Trade and other receivables	170,983	90,564
R and D tax incentive	-	513,752
	<u>170,983</u>	<u>604,316</u>

NOTE 5: INTANGIBLE ASSETS

	Research and development \$	Intellectual Property - Mintrak \$	Total \$
Opening value as at 3 July 2017	682,271	513,625	1,195,896
Amortisation	(198,364)	-	(198,364)
Impairment (i)	(483,907)	(513,625)	(997,532)
Closing value as at 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>

- (i) With consideration to the financial performance of the Group over the past 6 months, the directors reviewed the carrying amounts and determined it appropriate to impair the carrying values to \$Nil.

**TIKFORCE LIMITED
AND ITS CONTROLLED ENTITY
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 – (CONT.)**

NOTE 6: TRADE AND OTHER PAYABLES

	31 December 2017	30 June 2017
	\$	\$
Trade payables	209,375	67,118
Other payables and accrued expenses	316,793	272,714
	<u>526,168</u>	<u>339,832</u>

NOTE 7: BORROWINGS

	31 December 2017	30 June 2017
	\$	\$
Convertible note derivative (i)	315,360	-
Convertible note transaction costs (ii)	303,300	-
Convertible notes	131,340	-
Other borrowings	-	106,096
	<u>750,000</u>	<u>106,096</u>

The convertible notes, issued during in November and December 2017 to raise \$750,000, are to be re-paid on or before 30 June 2018, unless converted earlier. The notes will only convert into securities in the Company, subject to all necessary shareholder and regulatory approvals, upon the following conversion events:

- The noteholders may elect to convert up to five business days before 30 June 2018;
- The notes will automatically convert upon the Company achieving gross revenues (excluding any rebates or tax refunds) of \$400,000 for two consecutive quarters or gross revenues (excluding any rebates or tax refunds) on an aggregated amount of \$800,000 for two consecutive quarters.

The notes will convert into:

- Shares at a conversion of price based on the lesser of:
 - A price of \$0.03 per share; and
 - The most recent capital raising price at the time of conversion (provided that the price is equal to or greater than 80% of the 5 day VWAP before the date of issue of the converted shares); and
- Unlisted options exercisable at \$0.03 on or before 31 October 2020 on the basis of 1 option for every share issued on conversion.

(i) Value of options granted on conversion and conversion right has been determined by an independent valuation. This value is being amortised over the life of the notes using the effective interest method.

(ii) Transaction costs comprise:

- A flat interest fee of 20% of the amount advanced; and
- 21 million options (exercisable at \$0.03 before 21 October 2020) owing to the broker (yet to be paid). The options were valued as at 31 December 2017 using an expected volatility of 75%, risk free rate of 2%, and spot price of \$0.019.

These costs are being amortised over the life of the notes using the effective interest method.

**TIKFORCE LIMITED
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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017 – (CONT.)**

NOTE 8: ISSUED CAPITAL

	31 December 2017	Number of Shares
	\$	
Balance as at 30 June 2017	8,169,430	170,209,455
Costs of issue	(88,761)	-
Balance as at 31 December 2017	8,080,669	170,209,455

As at 31 December 2017, the Company 63,670,960 options on issue. The options have an exercise price of \$0.11 each and an expiry date of 31 May 2018.

As at 31 December 2017 the company had 53 million performance rights and performance shares on issue. The performance rights and performance shares have vesting conditions associated with the number of Tikforce platform paid users, gross revenue derived by Min-trak, and the Company's market capitalisation. Further information of these milestones is available on the ASX and in the Company's financial report for the year to 30 June 2017

**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 2017 - (CONT.)**

NOTE 9: 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, other than:

On 30 January 2018, the Company received a Notice under S249D of the Corporations Act, calling a general meeting of the Company for the purpose of appointing one director to the board and removing one director from the board. The notice was made at the request of requisitioning shareholders who held in excess of 5% of the voting rights of the Company.

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- The Company was able to raise a total of \$204,850 before expenses from the Rights issue Entitlement and Shortfall offers.

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On 16 February 2018, the Company announced that after a careful review and consideration of the request, the Board determined that the request under S249D did not comply with the relevant requirements of the Corporations Act, the ASX Listing Rules and the Company's Constitution and deemed the request invalid, and that the Company did not intend to take any action to convene a general meeting of the Company in respect to the proposed resolutions of the request.

On 22 February 2018, the Company announced that it has entered into a reciprocal distribution agreement with CHAS.

As outlined in Note 3, an Appendix 3Y was released on the ASX on 28 February 2018.

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

DIRECTORS' DECLARATION

In the opinion of the directors:

(a) the financial statements and notes set out on pages 4 to 16 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 2017 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 2017.

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

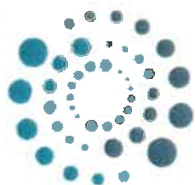
On behalf of the Directors



KEVIN BAUM

Director

Dated this 28th day of February 2018



Greenwich & Co

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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 2017, 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

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Andrew May
Audit Director

28 February 2018
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 consolidated statement of financial position as at 31 December 2017, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated 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 Tikforce Limited's financial position as at 31 December 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 Tikforce Limited's financial position as at 31 December 2017 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*

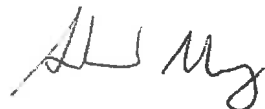
Emphasis of Matter – Inherent uncertainty regarding continuation as a going concern

Without modifying our conclusion, we draw attention to Note 1 to the half-year financial report which outlines that the ability of Tikforce Limited to continue as a going concern is dependent on its ability to develop profitable cash flows from current activities, control costs, and access additional capital or debt.

As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on Tikforce Limited'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 half-year financial report.

Our conclusion is not qualified in respect of this matter.

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Andrew May
Audit Director

28 February 2018
Perth