

30 August 2019

ASX Appendix 4E (rule 4.3A)

Preliminary final report for the year ended 30 June 2019

Details of the reporting period and the previous corresponding period

Reporting Period: 30 June 2019
 Previous Corresponding Period: 30 June 2018

Results for announcement to the market

(All comparisons to year ended 30 June 2018)

	\$A'000	Up/Down	% Movement
Revenue from ordinary activities	-	up	-%
Revenue from ordinary activities excluding interest income	-	up	-%
Loss from ordinary activities after tax	(1,283)	up	18.6%
Loss attributable to members	(1,642)	down	121%

Dividends	Amount per share	Franked amount per share
Interim dividend	N/A	N/A
Final dividend	N/A	N/A

Record date for determining entitlements to dividends	N/A
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Brief explanation of any figures reported above necessary to enable the figures to be understood

Refer to the accompanying separate ASX lodgment Review of Financial Results and Operations

Net tangible assets backing	30 June 2019	30 June 2018
Net tangible assets/(liability) per security	(1.19) cents	(0.80) cents
Net asset backing per security	(1.19) cents	(0.80) cents

Control gained or lost over entities having material effect

Disposal of main business undertaking.

Material interest in entities which are not controlled entities

Nil

Compliance Statement

The preliminary final report has been prepared based on the 30 June 2019 accounts which are in the process of being audited by an independent Audit Firm in accordance with the requirements of s302 of the *Corporations Act 2001*.

Attachments forming part of Appendix 4E:

1. Preliminary Final Financial Report



Signed: _____

Stuart Usher
Director & Company Secretary

Date: 30 August 2019



TIKFORCE LIMITED

ABN 74 106 240 475

**PRELIMINARY UNAUDITED FINAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Index:	Page
Corporate Directory	1
Review and Results of Operations	2
Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Cash Flows	5
Consolidated Statement of Changes in Equity	6
Notes to the Consolidated Financial Statements	7

TIKFORCE LIMITED
CORPORATE DIRECTORY

Corporate Directory

Directors

Kevin Baum	Managing Director
Stuart Usher	Non-Executive Director
Gianmarco Orgnoni	Non-Executive Director

Company Secretary

Stuart Usher

Registered Office and Principal Place of Business

Ground Floor, Suite 1, 437 Roberts Rd
Subiaco, Western Australia, 6008
Telephone: 08 6380 2555
Facsimile: 08 9381 1122
Website: www.tkfltd.com

Solicitors

Steinepreis Paganin
Level 4, The Read Buildings
50 Kings Park Road
16 Milligan Street
Perth WA 6000

Share Registry

Advanced Share Registry Ltd
150 Stirling Highway
Nedlands, WA 6009
Telephone: 08 9389 8033
Facsimile: 08 9389 7871

Auditors

Criterion Audit Pty Ltd
PO Box 2138
Subiaco WA 6904

PRINCIPAL ACTIVITIES

During the period, the principal activity of the Group consisted of developing a suite of software applications and IT systems to support validating credentials for both potential employees and suppliers. During the period the company executed a global software licence agreement that licenced the intellectual property rights owned by the Group. At a shareholder meeting held on 2 November 2018, shareholder approval was received to dispose of its main undertaking to the Licensee. The sale was completed during the period, with the Company actively and pursuing other business opportunities.

REVIEW OF OPERATIONS AND RESULTS

The net loss attributable to members of the parent entity for the period ended 30 June 2019 amounted to (\$1,642,390) (2018: (\$3,628,135)).

Total revenues from continuing operations were \$350,010 including the sale proceeds from the sale of the Tikforce business of \$350,000 (Dec 2018: \$955,633)

After deducting total expenses from continuing operations of \$1,632,596, the Company recorded a loss for the period of \$1,282,586 (2018: Loss \$1,080,867). The total loss for the period including losses from discontinued operations is \$1,642,390 (2018: Loss \$3,628,135).

Total negative equity was \$3,061,881 with total assets of \$54,131 and liabilities of \$3,116,012. At 30 June 2018, equity was negative \$1,553,969. At 30 June 2018 there was \$783,330 in assets and \$2,337,299 in liabilities.

During the year, the company generated net proceeds from financing activities of \$118,477. This was from the issuance of shares less transactions costs.

Net cash used in operating activities was \$724,581 compared to \$2,252,726 in the same period in the prior year. This includes cash receipts of \$684,653 of which \$227,732 was cash received from customers with the remainder coming from \$1,893 of interest received and \$455,028 of research and development rebates. For the same period, prior year cash receipts were \$1,203,968 of which \$689,202 were from customers, \$939 was interest received and \$513,827 of research and development rebates. Since the sale of the business the company has been dormant with the board searching for other business opportunities.

Net cash provided by investing activities represented the actual sale proceeds received from the sale of the Tikforce business.

TIKFORCE LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 \$	30 June 2018* \$
Revenues			
Net gain arising on financial liabilities		-	955,494
Other income		350,000	-
Interest income		10	139
Total income		350,010	955,633
Expenses			
Director and employee benefits expenses		172,850	-
Consulting expenses		176,955	339,141
Compliance and regulatory		105,431	80,258
Impairment expense		2,385	450,000
Travel and accommodation expenses		4,252	9,082
Financial expenses		828,320	843,492
Legal fees		226,104	138,536
Share based payments		-	104,500
Other expenses		116,299	71,491
Total expenses		(1,632,596)	(2,036,500)
Loss before income tax		(1,282,586)	(1,080,867)
Income tax		-	-
Loss for the period		(1,282,586)	(1,080,867)
Discontinued operations			
Loss for the period after income tax from discontinued operations		(359,804)	(2,547,268)
Loss after income tax attributable to members of Tikforce Limited		(1,642,390)	(3,628,135)
Other Comprehensive Income / (Loss):		-	-
Total Comprehensive Loss for the period		-	-
Total Comprehensive Income/ (Loss) attributable to:			
Members of Tikforce Limited		(1,642,390)	(3,628,135)
Earnings/(loss) per share			
		Cents per Share	Cents per Share
Discontinued operations loss per share for the period – cents per share		(0.013)	(1.42)
Continuing operations loss per share - cents per share		(0.71)	(0.60)
Overall Basic and diluted loss per share - cents per share		(0.059)	(1.49)

*Period ended 30 June 2018 re-presented to exclude those operations classified as discontinued in the reporting period.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

TIKFORCE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	30 June 2019 \$	30 June 2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,909	212,894
Trade and other receivables		10,222	525,821
Other assets		42,000	44,945
Total Current Assets		54,131	783,330
Total Assets		54,131	783,330
LIABILITIES			
Current Liabilities			
Trade and other payables		922,269	756,996
Borrowings		2,153,726	1,544,349
Provisions		39,792	35,729
Other liabilities		225	225
Total Current Liabilities		3,116,012	2,337,299
Total Liabilities		3,116,012	2,337,299
Net Assets/(Deficiency)		(3,061,881)	(1,553,969)
Equity			
Issued capital		8,493,637	8,359,159
Reserves		1,450,445	1,450,445
Accumulated losses		(13,005,963)	(11,363,573)
Total Equity		(3,061,881)	(1,553,969)

The Consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

TIKFORCE LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	Year ended 30 June 2019	Year ended 30 June 2018
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	227,732	689,202
Research & Development Tax Incentive	455,028	513,827
Interest received	1,893	939
Interest paid	(194,829)	(260,616)
Payments to suppliers and employees	(1,214,405)	(3,196,078)
Net cash flows used in operating activities	(724,581)	(2,252,726)
Cash flows from investing activities		
Proceeds from sale of intangible assets	350,000	-
Net cash flows used in investing activities	350,000	-
Cash flows from financing activities		
Proceeds from borrowings	69,392	2,750,000
Repayment of borrowings	(23,943)	(856,096)
Proceeds from issue of shares and options	121,741	354,850
Payment of share issue costs	(3,264)	(165,121)
Net cash flows provided by financing activities	163,926	2,083,692
Net increase in cash and cash equivalents held	(210,655)	(169,034)
Add opening cash and cash equivalents brought forward	212,564	381,598
Closing cash and cash equivalents carried forward	1,909	212,564

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

TIKFORCE LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital	Accumulated Losses	Share Based Payments Reserve	Total Equity
	\$	\$	\$	\$
At 1 July 2018	8,359,159	(11,363,573)	1,450,445	(1,553,969)
Total comprehensive loss for the period		(1,642,390)	-	(1,642,390)
Transactions with owners in their capacity as owners:				
Issue of share capital	121,742	-	-	137,742
Shares issued from ESOP	16,000	-	-	-
Costs of capital raising	(3,264)	-	-	(3,264)
At 30 June 2019	8,493,637	(13,005,963)	1,450,445	(3,061,881)
At 1 July 2017	8,169,430	(7,35,437)	1,450,445	1,884,438
Total comprehensive loss for the period	-	(3,628,135)	-	(3,628,135)
Transactions with owners in their capacity as owners:				
Issue of share capital	354,850	-	-	354,850
Costs of capital raising	(165,121)	-	-	(165,121)
At 30 June 2018	8,359,159	(11,363,572)	1,450,445	(1,553,969)

The Consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

TIKFORCE LIMITED

CONDENSED NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2019

1. BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E

This general purpose condensed financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Tikforce Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial report covers Tikforce Limited and controlled entities ("the Consolidated Entity"). Tikforce Limited is a Company limited by shares, incorporated and domiciled in Australia. The financial report is presented in Australian dollars which is the Consolidated Entity's functional and presentation currency.

The financial statements are presented in Australian dollars and have been prepared under the historical cost convention. The financial statements of the Consolidated Entity also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial information in this report does not include all the notes of the type normally included within the annual financial reports and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial reports.

Therefore it is recommended that this report should be read in conjunction with the annual financial reports for the year ended 30 June 2019, when it becomes available, and be considered together with any public announcements made by Tikforce Limited during the year ended 30 June 2019 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

2. AUDIT STATUS

This report is based on accounts that are in the process of being audited. The audit report is likely to contain an emphasis of matter to describe the market uncertainty related to going concern, based on current losses and cashflows from operating activities.