WolfStrike Rentals Group Limited

ABN 72 107 745 095

Appendix 4E

Preliminary Final Report

For the Nine Months to 31 March 2017
(and previous corresponding period: year ended 30 June 2016)

In Compliance with ASX Listing Rule 4.3A

Appendix 4E – Preliminary Final Report

(ASX Listing rule 4.2A)

Company Name:	WolfStrike Rentals Group Limited
ABN:	72 107 745 095
Reporting Period:	Financial year (nine months) ended 31 March 2017
Previous Reporting Period:	Financial year ended 30 June 2016

Results for Announcement to the Market

The results of WolfStrike Rentals Group Limited for the year ended 31 March 2017 are as follows:

Revenues	Up	>100%	to	$4,569,364
Loss from ordinary activities before transaction costs, impairment, finance costs and tax	Down	67%	to	($344,293)
Loss after tax attributable to members	Down	83%	to	($2,101,670)

Brief explanation of figures reported above

WolfStrike Rentals Group Limited recorded revenue of $4,461,691 for the nine months ended 31 March 2017 (2016: $1,373,338).

WolfStrike Rentals Group Limited has incurred a loss for the year of $2,101,670 (2016: $12,578,453). This loss was primarily contributed by the recognition of part of the expense related to the WolfStrike Vendors' earn-out shares in the nine months to 31 March 2017.

Net Tangible Assets per Share

	31 March 2017	30 June 2016
Net Tangible Assets	(2,656,923)	(3,494,246)
Shares (No.)	842,775,340	842,775,340
Net Tangible Assets per Share (cents)	(0.32)	(0.41)

Loss per Share

	Nine months to 31 March 2017	Year to 30 June 2016
Basic /diluted loss per share	(0.25)	(5.49)

Status of Audit of Accounts

These accounts have been audited and the Audit Report is contained in the attached Annual Report.

WolfStrike Rentals Group Limited

ABN 72 107 745 095

Annual Report 2017

For the 9 months ended 31 March 2017

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CORPORATE DIRECTORY

WolfStrike Rentals Group Limited shares are listed for quotation on the Australian Securities Exchange (ASX) under the ticker code "WSG".

Directors

John Seton	Non-Executive Chairman
Ian Bailey	Managing Director
Quentin Olde	Non-Executive Director
Tom McDonald	Non-Executive Director

Company Secretary

Eryn Kestel

Principal Places of Business

Australia

Level 32,
101 Miller St,
North Sydney,
New South Wales, 2060, Australia
Phone: +61 2 9025 3567

New Zealand

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Wairau Valley,
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Registered Office

Level 32,
101 Miller Street,
North Sydney,
New South Wales. 2060. Australia

Share Register

Link Market Services Limited
Level 12,
680 George Street,
Sydney,
New South Wales. 2000. Australia
Phone: 1300 554 474 or +61 (02) 8280 7100

Auditor

William Buck
Level 20,
181 William Street,
Melbourne. Victoria. 3000. Australia

FINANCIAL PERFORMANCE SUMMARY

RESULTS FROM OPERATIONS

	9 months ended 31 March 2017	12 months ended 30 June 2016
Revenue ($)	4,569,364	1,373,338
Loss before depreciation, amortisation, impairment , transaction expenses, finance costs and tax ($)	(344,293)	(1,058,990)
Operating loss after tax ($)	(2,171,974)	(12,632,085)
Weighted average number of shares (million)	842.8	842.8
Basic / diluted earnings per share (cents)	(0.25)	(5.49)
Net tangible assets per share (cents)	(0.32)	(0.41)

	31 March 2017	30 June 2016
Current assets ($)	4,840,942	4,303,512
Non-current assets ($)	11,396,554	9,982,053
Current liabilities ($)	4,715,785	7,020,018
Non-current liabilities ($)	8,827,786	5,089,739
Shareholders' equity ($)	2,693,925	2,175,808

The previous corresponding period is the year ended 30 June 2016.

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to provide to shareholders my first report as chairman, commenting on progress at Wolfstrike over the past year.

As advised in the June 2016 report, the Company articulated strategic goals and objectives for Wolfstrike to accomplish in 2017, in order to address the areas identified for improvement in the Company's business:

1. reduce our interest costs to increase margins and profitability;
2. improve access to capital to facilitate growth; and
3. expand our core rental business organically and via acquisition.

I am pleased to say that, while we are not yet finished, these goals have been substantially achieved.

In August 2016, the Company restructured its core business to allow for faster growth using an originator sales model whereby third party agents bring business to the Company. This also resulted in a reduction of operational costs by circa $2.2m and the retirement of circa $2M of debt.

The Company also completed the purchase of LeaseTech in October 2016 and, in November 2016, entered into an agreement to acquire all the shares in FE Investments Limited.

Both these acquisitions will provide ongoing and substantial business growth, but perhaps more importantly the Company's goal to reduce its cost of funds and increase profitability will be achieved as a result in the completion of the acquisition of FEI. On 25 May 2017, the Company received consent from the Reserve Bank of New Zealand to the purchase of all the shares in FEI. It is intended that settlement be completed within 7 days of that date.

We understand that it may take time for the market to realize the true value of the FEI transaction, which should become evident in the following months and years. The transaction with FEI, whilst significant in terms of shareholder dilution, underpins shareholder value by providing the Company with a strong asset base, access to ongoing funding at significantly lower interest rates to allow ongoing growth of the rental book, as well as an additional stand-alone profitable business.

- FEI has a proven track record - it is one of the few survivors of the GFC.
- FEI has increased its gross asset base dramatically over the last few years, with gross assets of over $49M as of December 2016, from a starting point of $8M in 2012.
- FEI is one of only three Non-Bank Deposit Takers in our sector, licensed by the Reserve Bank of New Zealand to accept deposits directly from the public.
- Under various regulatory approvals FEI can also accept deposits from Australian retail markets.
- FEI has equity of over NZ$8M as at December 2016

It should be noted that the only impediment to the ongoing growth of FEI is access to capital to meet the Reserve Bank of New Zealand Capital Adequacy ("RBNZ CAR") ratios. The RBNZ CAR ratio requirements vary by asset class, however in principle FEI must meet an 8% CAR. Essentially, for each $1,000 of capital invested, FEI can increase assets by $5,000. By becoming part of the ASX listed WSG, FEI will have access to the capital it requires to continue its growth.

Accordingly, WolfStrike's growth outlook is significantly stronger as a result of the FEI acquisition. The Company is targeting a minimum gross asset size of $100M which should result in a significant increase in profits and strong cashflows. On the back of this the Company is considering its dividend policy and plans to formulate and release this during the next year.

During the past year there were a number of changes to the board. Robin Armstrong resigned his office as Chairman after steering the Company through a restructure and re-listing on the ASX. I was appointed Chairman in his place, and Tom McDonald was added to the board. I thank Robin and welcome Tom. I also thank the Company's management team, which when asked to implement changes and achieve goals, did so.

The future for Wolfstrike looks promising with access to funding and a solid growth strategy. We continue to look to develop our business in Australia and for value accretive acquisitions.

Finally, I thank our shareholders for your ongoing support during the period since re-listing. We look forward 2018 delivering increased shareholder value.

John Seton
Chairman

MANAGING DIRECTOR'S REPORT

It should be noted that the Company changed its balance date to March to align with its main trading subsidiaries and also its largest acquisition, being FE Investments Limited. Therefore, this report is for the 9 months from 1 July 2016 to 31 March 2017.

The result includes significant costs associated with the FE Investments Limited acquisition, and was also impacted by the Company taking up 50% of the expense related to the shares due to be issued to the original Wolfstrike Vendors as part of their earnout. The expense related to the shares is $2,750,000. Without this additional one-off charge, the result was a profit of $578,871.

Importantly, the core business continues to grow as shown by the following matrices from June 2016 to March 2017.

- Customer numbers increased from 3,200 in June 2016 to 3,750 as of March 2017, a growth of 8.5%.
- Future contracted receivables increased from NZ$9.7M – NZ$11.9M (including GST) a growth of 22.6% (Matt, please check)
- Monthly rent book receivables increased from $248,000 per month to $355,000 per month an increase of 43.1%.
- Average rental contract value per month increased from $113 to $138 per month, an increase of 22.1%.

This is pleasing and demonstrates that the strategy set in place at time of listing is working.

Further, over $12M of existing contracts that were signed 3 – 4 years ago are now coming up for renewal and/or extension and it is expected that this will result in further increases in both contracted cashflows and/or inertia revenues over the next 12 – 36 months. Whilst not all these will be re-signed or extended, this does represent a significant opportunity for the business.

The announced migration to an agency sales model has reduced the operating costs by circa $2.2M per annum and simultaneously reduced the debt by almost $2M. Further, the migration to this new model has secured ongoing contract leasing of circa $6M per annum from new originators.

The LeaseTech acquisition made in October 2016 is showing positive results with major corporate customers using the WolfStrike leasing products under the LeaseTech brand. This acquisition provides access to a number of large multi-national corporate customers who are already using the Wolfstrike rental contract paper for their new customers, as well as access to additional resellers for our leasing products.

The FEI acquisition agreement, signed in November 2016, is a major milestone for the Company and will set up WSG with lower overall interest rates, additional business and a growing asset base. The combined asset base of FEI and Wolfstrike are expected to be over $50M at the time of settlement, and plans are in place to expand the asset base of the business to over $100M within a short timeframe.

Post March year end, the board also agreed to convert a number of loans and the convertible loans issued in October and November 2016 into shares in WSG. This increased equity to a level where there is now positive Net Tangible Assets (in addition to the already positive equity position).

The direction and strategy for the Company continues as it was previously with a focus on acquisitions and organic growth in the leasing and rental sector. We continue to look for value-accretive acquisitions in the Australian market and have identified some suitable targets.

There are also a number of potential acquisitions in the NZ market and we continue to monitor them with a view to acquisition where possible.

This will also lead us to look to further strengthen the management team and skill set in 2018.

Importantly, as the business grows there will be a need to continue to monitor FEI's RBNZ CAR to ensure compliance with the RBNZ requirements. FEI's ability to increase its assets base is constrained only by RBNZ CAR. As noted in the Chairman's report, for each $1,000 of new capital, FEI can generate $5,000 of new assets. Therefore, there will be an ongoing balancing act between allowing growth and ensuring there is no unnecessary dilution.

Finally, it has been a very busy time since listing and the Company has made significant headway since the last report. Management and the board are focused on increasing shareholder value. The achievements made are only as a result of the dedicated and focused staff, advisors and supporters of the Company and I wish to take this opportunity to thank them all for their contributions. It is appreciated.

Ian Bailey
Managing Director

DIRECTORS' REPORT

The Directors of WolfStrike Rentals Group Limited ("WolfStrike" or "WSG" or "the Company") submit their report for the 9 months ended 31 March 2017. The report is for 9 months as the Company and two of its subsidiaries, Wolfstrike Rental Services Pty Ltd and Wolfstrike Distributors Pty Ltd, changed its reporting date to 31 March during the year. This change was made to align the Company to its main trading subsidiaries and its largest acquisition being FE Investments Ltd.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

John Seton – Non-Executive Chairman

Appointed as a Non-Executive Director on 23 June 2016 and Non-Executive Chairman on 30 November 2016.

Mr Seton is an Auckland based solicitor with extensive business experience in technology, mining, wine and investment companies with both listed and private directorships and chairmanships, including ASX, NZX and TSX listed entities.

John has a LLB from Victoria University of Wellington, an LLM (Hons) from Auckland University and has been admitted to the New Zealand and Californian Bars and as a Solicitor of the Supreme Court of England and Wales.

John is also a Chartered Fellow of the New Zealand Institute of Directors and is experienced in corporate asset acquisitions and divestments, transaction negotiations, fund raising, and steering businesses through significant change and growth.

John is also Director of ASX listed Besra Gold Inc (appointed 17 November 2016) and Manhattan Corporation Ltd.(appointed 20 July 2009).

Quentin Olde – Non-Executive Director

Appointed as a Non-Executive Director on 29 October 2014.

Mr Olde is an experienced and respected restructuring and turnaround professional with over 20 years' experience as a Chartered Accountant and adviser to financiers, corporates and investors.

He is currently Senior Managing Director at FTI Consulting, a global restructuring and crisis management firm.

Quentin has significant expertise advising Public and ASX listed companies on financial and operational matters, and brings a wealth of experience and contacts in the financial services, banking and corporate sectors.

His experience will assist the Company set strategic direction and source funding for planned growth.

Mr Olde holds a Bachelor of Commerce degree from University of Western Australia

Mr Olde is Chairman of the Remuneration Committee of the Board.

Mr Olde is also director of ASX listed Ceramic Fuel Cells Ltd (appointed 4 October 2016).

DIRECTORS' REPORT

Ian Bailey – Managing Director and Chief Executive Officer

Appointed as Managing Director on 24 March 2016.

Mr Bailey is the founder and Managing Director of the WolfStrike group in New Zealand and has a wealth of experience developing small companies into much larger companies that create positive returns for shareholders. The workforce and business of WolfStrike has shown solid growth under his leadership.

Ian has had extensive experience in both the NZ and Australian markets, particularly in payments (EFTPOS), merchant Point of Sale (POS) technology, both hardware and software, and telecommunications sectors. In addition, Ian has been involved in the listing and management of two companies listed on the New Zealand Securities Exchange.

Ian has a solid background in technology, management, sales and marketing. He holds qualifications which include Diploma in Electronic Computer Servicing, Electronics certificate from Auckland Technical Institute, certificate in Business Management from the Australian Institute of Management, and has completed units in Marketing from the University of Auckland. In addition, Ian has completed a wide range of courses from the New Zealand Institute of Directors, including a Certificate in Company Direction, Chairing the Board, Finance Essentials and Governance Essentials

Ian is also a Chartered member of the New Zealand Institute of Directors and an Affiliate of the Australian Institute of Directors. He has held directorships in private and public companies in New Zealand and Australia.

Mr Bailey does not hold any other ASX listed directorships.

Tom McDonald – Non-Executive Director

Appointed as a Non-Executive Director on 20 October 2016.

Mr McDonald is an experienced business executive with a career in financial management and strategic development of Australian and US listed companies and the commercialisation of global businesses.

Tom's background includes over 20 years' experience as CFO and other senior roles in ASX companies, and he was previously based in California for many years with US Biotech, Beckman Instruments Inc, in international growth and financial management.

Tom holds a Bachelor of Commerce degree from University of NSW and is a Post Graduate of University of Technology Sydney. He is a Fellow, CPA and an associate of both the Governance Institute Australia and the Australian Institute of Company Directors.

Mr McDonald is Chairman of the Audit and Risk Committee of the Board.

Mr McDonald is also director of ASX listed Cyclopharm Ltd (appointed 3 April 2017).

Robin Armstrong – Non-executive Chairman

Appointed to the Board on 13 October 2014.
Retired as a Director on 30 November 2016.

Mr Armstrong was a director of the Company from 2014 to 2016. He has over 15 years' experience in commercial business transactions in financial markets and holds a diploma in Financial Markets.

COMPANY SECRETARY

Eryn Kestel

Appointed as Company Secretary on 8 March 2012
Ms Kestel acts as company secretary for a number of ASX listed companies. She holds a Bachelor of Business Degree majoring in Accounting and is a Certified Practicing Accountant.

DIRECTORS' INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at the date of this report, the interests of the directors in the share capital of the Company were:

	Number of Ordinary Shares	Number of Unlisted Options	Number of Earn-Out Shares[2]
John Seton	-	6,250,0000	-
Quentin Olde	18,750,000	15,625,000	-
Ian Bailey	63,000,000	-	300,000,000
Tom McDonald[1]	5,281,690	6,250,0000	-

Notes:

1. A related party to Mr McDonald was a party to a Convertible Loan agreement with a total value of $30,000. The conversion rights to this Convertible Loan were approved by shareholders at the EGM of shareholders held on 8 March 2017 and conversion occurred on 10 May 2017 into 5,281,690 ordinary shares.
2. The Earn-Out shares have not yet been issued. These shares will be issued should the acquisition of FE Investments Ltd complete. Post year-end, approval for the acquisition was received from the Reserve Bank of New Zealand which was the last material condition precedent to the acquisition completing.

DIRECTORS' MEETINGS

The number of Directors' meetings held during the nine months to 31 March 2017 and each Director's attendance at those meetings is set out in the table below.

All meetings held were Board meetings and there were no meetings held to consider specific business.

	Full Meetings of Directors	
	Meetings Held[3]	Meetings Attended
John Seton	12	12
Quentin Olde	12	12
Ian Bailey	12	12
Tom McDonald[1]	9	9
Robin Armstrong[2]	7	7

Notes:

1. Mr. McDonald was appointed as a Non-Executive Director on 20 October 2016 and was invited by the Board to attend the three Board Meetings held prior to his appointment. There were six board meetings held during the time Mr. McDonald was a Director during the year.
2. Mr. Armstrong retired as a Director and Non-Executive Chairman on 30 November 2016. There were seven board meetings held during the time Mr Armstrong was a Director during the year.
3. Meetings held is the number of meetings held during the time the relevant Director was appointed during the year.

BOARD COMMITTEE MEMBERSHIP

On 29 November 2016 the Company established two working Board Committees. These are the Audit and Risk Committee (Chaired by Mr Tom McDonald) and the Remunerations Committee (Chaired by Mr Quentin Olde).

During the period from re-listing the Company on the Australian Securities Exchange on 29 March 2016, until the Committees were established, the responsibilities and duties of Board Committees were undertaken by the full Board.

Since the establishment of the Committees to 31 March 2017, the following meetings have been held:

	Audit and Risk Committee Meetings Held	Meetings Attended
Tom McDonald	1	1
Quentin Olde	1	1
John Seton	1	1

	Remunerations Committee Meetings Held	Meetings Attended
Quentin Olde	1	1
Tom McDonald	1	1
John Seton	1	1

OPERATING AND FINANCIAL REVIEW

Revenue from operations for the nine months ending 31 March 2017 (FY17) was $4,461,691, an increase of 267% over FY16.

Results before depreciation, amortisation and financing costs was a loss of $344,293 compared to a loss of $1,058,990 in FY16. The net loss for the 9 months was $2,171,974 mainly driven by the expensing of earn-out shares to the WolfStrike Vendors.

Total Assets are $16,237,496 (FY16:$14,285,565) and Net assets are $2,693,925 (FY16:$2,175,808).

During FY17 total Finance Lease Receivables increased to $9,556,227 ($6,398,584).

NATURE OF OPERATIONS AND PRICIPAL ACTIVITIES

The Group operates as a leasing company in the technology sector where its principle activity is the financing of originators and end customers.

SIGNIFICANT CHANGE IN STATE OF AFFIARS

In August 2016 the Group restructured its business operations and implemented an external sales model. This resulted in the sale of inventory to a non-related third party (EFTPOS Warehouse Ltd "EWL") with the consideration being the assumption of liabilities owing by the Group to that third party along with the transfer of credit and post sales care risk.

In November 2016 the Group completed the acquisition of the assets and business of LeaseTech Ltd, a New Zealand based rentals company. Although revenue commenced in this period the material benefit from the acquisition will not be fully realised until subsequent periods. This is due to the time required to fully integrate and exploit the customer book of LeaseTech.

During the year the Company changed its reporting date to 31 March to align with its main trading subsidiaries and its largest acquisition being FE Investments Ltd.

OUTLOOK FOR THE 2018 FINANCIAL YEAR

During FY17 significant changes were made to the Company's operations. These include the restructuring of the Group to an external sales agency model, which materially reduced fixed costs without a material impact on revenue. In addition, as announced on 30 November 2016 and further updated on 26 May 2017, WSG has entered into a conditional share sale agreement to acquire 100% of the issued shares in FE Investments Ltd ("FEI"). This acquisition is now unconditional and WSG is moving to settle the transaction. The acquisition will be transformational for WSG in that it will lower WSG's costs of funding and transform WSG into a vertically integrated financial services company.

SHARES ISSUED DURING THE YEAR

During FY17 Nil (FY16: 804,329,000) shares were issued.

PERFORMANCE RIGHTS OVER SHARES

Certain of the original WolfStrike Vendors had a right to 596,000,000 "earn out" shares over two tranches as part of an Earn-Out agreement. During FY17 final agreement and shareholder approval was obtained regarding these earn out shares. The final agreement is a total of up to 500,000,000 shares. There are eight agreed hurdles over two tranches that trigger these shares. In addition, should a Material Change Event occur all shares will immediately be issued. The completion of the acquisition of FEI will constitute a Material Change Event.

UNLISTED OPTIONS ON ISSUE

As part of the conversion of the convertible loans in March 2016 (see FY16 Annual Report), holders of those Convertible loans were issued with 125,000,000 free unlisted options with an exercise price of $0.02 (two cents) per option and an expiry date of 24 March 2018.

During FY17, each non- executive director has been issued with 6,250,000 free unlisted options with an exercise price of $0.025 (two and a half cents) per option and an expiry date of 16 December 2018.

TREASURY POLICY

The Company coordinates the Group's treasury function and is responsible for managing currency risks and finance facilities. It operates within policies set by the Board which has the responsibility for ensuring management's actions are in line with Company policy.

Transaction hedging is not undertaken. Translation effects are not hedged. Interest rate exposures are not hedged.

SUBSEQUENT EVENTS AFTER THE BALANCE DATE

Other than the matters discussed below, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or 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.

a) On 26 May 2017, the Company announced it had received Reserve Bank of New Zealand for the acquisition of 100% of the issued shares in FEI, a company incorporated in New Zealand, for 100% scrip consideration. This followed the Company receiving shareholder approval at an Extra-Ordinary General Meeting of Members ("EGM") held on 8 March 2017. Given all material conditions precedent to the acquisition have now been met the Company and FEI will move to complete the acquisition.
b) On 10 May 2017 WSG converted all outstanding Convertible Loans into ordinary shares in WSG. This resulted in 359,573,768 ordinary shares being issued to the Convertible Loan holders. The Conversion rights were approved at the 8 March 2017 EGM.
c) On 11 May 2017 certain outstanding loans were converted into equity under WSG's placement capacity pursuant to Listing Rule 7.1 by the issue of 103,459,538 ordinary shares. The total amount of these loans was $640,625.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify the current Directors of the Company, the Company Secretary, and all executive officers of the Company, and of any related body corporate, against any liability that may arise in their capacity as an officer of the Company or any related corporation to the Company.

WolfStrike Rentals Group Limited, being the ultimate parent company, paid premiums in respect of directors' and officers' liability insurance during the financial year. The contract of insurance does not include details of premiums paid in respect of individual officers of the Company and prohibits disclosure of the amount of the premium paid.

During the reporting period or since the end of the reporting period, the Company has not indemnified nor agreed to indemnify any auditor of the Company or any related entity against a liability that may arise in their capacity as an auditor.

AUDITOR INDEPENDENCE

The directors received the declaration from the auditor of the Company. This auditor's declaration forms part of and is attached to the Directors' Report.

NON AUDIT SERVICES

From time to time non-audit services are provided by the Company's auditor, William Buck Audit (Vic) Pty Limited. The directors are satisfied that the provision of any non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. Total non- audit services provided during the year by William Buck totals $23,726 and relates to taxation advice and services.

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid during FY17 (FY16: Nil).

ENVIRONMENTAL LEGISLATION

The Company is not aware of any breaches to any environmental legislation.

CORPORATE GOVERNANCE STATEMENT

The ASX Corporate Governance Principles and Recommendations (Third Edition) and the ASX Listing Rules (ASX LR 4.10.3) permits entities to elect to publish their ASX Corporate Governance Statement and ASX Appendix 4G on its website.

Accordingly, the Company's 2017 ASX Corporate Governance Statement does not appear in this Annual Report and can be located on the WolfStrike website at: http://www.wolfstrike.com/documents/public_documents/corporate_governance/

REMUNERATION REPORT (AUDITED)

The Directors of WolfStrike Rentals Group Limited are pleased to present the Remuneration Report ("the Report") for the Company and its subsidiaries ("the Company" or "the Group" or "WSG") for the 9 months ended 31 March 2017. This Report has been prepared and audited within the requirements of the *Corporations Act 2001*.

For the purposes of this Report, Key Management Personnel ("KMP") are defined as persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group and include all Non-Executive Directors of the Company and Executives who are listed in the table below.

DIRECTORS AND KEY MANAGEMENT PERSONNEL

Executives

Ian Bailey	Managing Director, appointed on 24 March 2016

Non-Executive Directors

John Seton	Non-Executive Chairman, appointed Non-Executive Director 23 June 2016
Quentin Olde	Non-Executive Director appointed Non-Executive Director 29 October 2014
Tom McDonald	Non-Executive Director appointed Non-Executive Director 20 October 2017
Robin Armstrong	Non-Executive Chairman, resigned 30 November 2016

The above Non-Executive Directors and Executives were the key management personnel for the whole of the financial year unless otherwise stated.

REMUNERATION GOVERNANCE

The Board is ultimately responsible for determining remuneration of Non-Executive Directors and Executives. During FY17 a Remuneration Committee was established and this committee makes recommendations to the Board in respect to remuneration of Non-Executive Directors and Executives

In accordance with section 206K of *Corporations Act 2001* the Board has a process for engaging remuneration consultants. When the Board commissions and receives information, advice and recommendations it is provided directly to the Board from remuneration consultants, ensuring remuneration recommendations are free of undue influence by management. During the financial year, no such advice has been sought or received.

The Company's remuneration strategy is designed to attract, retain, motivate and reward employees by providing fair and reasonable rewards for achieving high performance and creating sustained value for shareholders.

KMP remuneration is connected to Company performance to encourage high performance for the benefit of shareholders. This is primarily achieved through the issue of "out-of-the-money" unlisted options to Directors. It is intended a formal short-term performance plan will be implemented within the next twelve months.

	9 months ending 31 March 2017	**Year ending 30 June 2016**
Loss attributable to the owners of WSG	(2,101,670)	(12,578,453)
Basic loss per share (cents)	(.25)	(5.49)
Dividend payments	-	-
Dividend payout ratio	-	-
Increase/ (decrease) in share price (%)	-12.5	N/A

The above table does not include information for the years prior to the year ended 30 June 2016 as the Group was materially different prior to re-listing in March 2016.

FIXED REMUNERATION

Non-Executive Director ("NED") Remuneration

In determining the level and make-up of Non-Executive Director remuneration, the Board negotiates remuneration to reflect the market salary for a position of comparable responsibility and experience whilst considering the Company's stage of development.

Fixed Remuneration consists of base fees and is reviewed annually. Given the prolonged period the Company was suspended from trading on the ASX prior to its relisting in March 2016 there was no formal policy regarding Non-Executive Director remuneration. Accordingly, prior to re-listing, the Board considered the quantum of remuneration payable to Non-Executive Directors and agreed the following structure and level of Non-Executive Directors Fees on an annual basis (payable quarterly).

	Payment in Cash	**Payment in Shares[1]**
	$	**$**
Non-Executive Chairman	50,000	70,000
Non-Executive Director	40,000	60,000

Note 1:
For the twelve months post relisting, should a director elect to have their fees paid by the issue of shares in the Company, shares will be issued at a deemed price of two cents, which is the same price as the capital raising which was completed in March 2016. After the first twelve month period, the issue price of shares paid to any Non-Executive Director in respect of remuneration will be calculated at a 10% discount to the 30 day VWAP on the day the relevant Director has a right to be issued the shares.

Prior to his resignation, Mr Armstrong was engaged by the Company to carry out duties in addition to those of Non-Executive Chairman throughout the year. Mr Armstrong was remunerated for these duties on a consultancy basis as agreed with the Board from time to time.

Both prior to, and after his appointment, Mr McDonald was engaged by the Company to carry out duties in addition to those of Non-Executive Director throughout the year. Mr McDonald is remunerated for these duties on a consultancy basis as agreed with the Board from time to time.

None of the Non-Executive Directors have entered into employment contracts with the Company.

Executive Remuneration

Executive Remuneration consists of base fees. Fixed remuneration reflects the complexity of the individual's role and their experience, knowledge and performance. Internal and external benchmarking is undertaken regularly and fixed remuneration levels are set with regard to the external market median, with scope for incremental increase for superior performance.

Fixed remuneration is reviewed annually, taking into account the performance of the individual and the Company. There are no guaranteed increases to fixed remuneration in any contracts of employment.

The table below shows the structure and level of Executive fees for the current financial year.

	Annual Amount[1]
	NZD
Executive (Managing Director)[1]	$280,000

Notes:

1. Mr Ian Bailey is Managing Director of the Company and commenced in that position on 24 March 2016 under a consulting agreement between the Company and Mr Bailey's wholly owned company, River Horse Consulting Ltd. The contract was agreed by the Board on 12 April 2015.

The terms of this contract are as follows:

- River Horse Consulting Ltd, has entered into an agreement with the Company to provide consultancy services. Under this agreement, Mr Bailey will be contracted by River Horse Consulting Ltd to provide a broad range of services to the Company, including general business management services, strategy and business development, risk and insurance management together with sales, marketing and managing procurements.
- River Horse Consulting Ltd will receive consulting fees of NZ$280,000 per annum, plus applicable GST, payable monthly.
- The contract has an indefinite duration, and can be terminated by giving 60 days written notice.

SHORT TERM INCENTIVE ("STI") AND LONG TERM INCENTIVE ("LTI")

Given the Company's stage of development the Board has not yet put in place either formal STI's or formal LTI's as it was considered a premature action prior to the Company being re-listed on the ASX and completing the WolfStrike acquisition. Now that both these actions have been completed the Board anticipates putting in place both an STI plan and LTI plan for all KMP's and certain other employees of the Group within the next twelve months. In the interim the board made the decision to issue "out-of-the-money" unlisted options to Directors in December 2016. The options were approved by shareholders at the FY16 annual general meeting.

DETAILS OF REMUNERATION FOR THE 9 MONTHS ENDED 31 MARCH 2017

Remuneration of Executive KMP

Table 1: Remuneration for the 9 months ended 31 March 2017 and the year ended 30 June 2016

	Salary and Fees	**Share –based payments[2]**	**Total**	**Performance Related**
Managing Director	**$**	$	$	**%**
Ian Bailey [1]				
2017	207,328	1,650,000	1,857,328	**93%**
2016	65,289	-	65,289	-
2017	**207,328**	**1,650,000**	**1,857,328**	**-**
2016	65,289	-	65,289	-

Notes:

1. Mr Bailey was appointed Managing Director of the Company on 24 March 2016. Salary and fees in regard to Mr Bailey are paid to his related company, River Horse Consulting Ltd.
2. Certain of the original WolfStrike Vendors are entitled to Earn-Out Shares should certain hurdles be met. In addition in the event of a major transaction occurring all Earn-Out shares will be issued. The acquisition of FE Investments Ltd meets the definition of a major transaction as accordingly, should the acquisition complete all Earn-Out shares will be issued. A portion of these Earn-Out shares will be issued to entities related to Mr Bailey. Although the shares have not yet been issued a portion of the expense related to them has been brought to account in FY17. Should the shares be issued the balance of the expense will be brought to account in future periods whilst should the shares not be issued the expense recorded in FY17 will be reversed.

Table 2: NED Remuneration for the 9 months ended 31 March 2017 and the year ended 30 June 2016

		Salary and Fees	Share Based Payments[6]	Consulting Fees	Total
John Seton[1]	**2017**	**33,333**	**22,497**	**-**	**55,830**
	2016	777	-	-	777
Quentin Olde[2]	**2017**	**30,000**	**22,497**	**-**	**52,497**
	2016	43,333	-	-	43,333
Tom McDonald[3]	**2017**	**17,753**	**22,497**	**37,743**	**77,993**
	2016	-	-	-	-
Robin Armstrong[4]	**2017**	**20,833**	**22,497**	**10,342**	**53,672**
	2016	50,000	-	65,017	115,017
Harry Fung[5]	**2017**	**-**	**-**	**3,259**	**3,259**
	2016	30,000	-	29,650	59,650
Total 2017		**101,920**	**89,988**	**51,344**	**243,252**
Total 2016		124,110	-	94,667	218,777

Notes:

1. Directors fees in regard to Mr. Seton are paid to his related company, Jura Trust Limited.
2. Directors fees in regard to Mr. Olde are paid to his related company, Milray Consulting Pty Ltd.
3. Mr McDonald was appointed on 20 October 2016. Mr McDonald was engaged as a financial consultant for a period prior to his appointment as a Director. Consulting fees and Directors fees in regard to Mr. McDonald are paid to his related company, Cell Structures Pty Ltd.
4. Mr Armstrong resigned as a Director on 15 November 2016.
5. Mr Fung resigned as a director on 24 March 2016. Directors Fees and Salary and fees in regard to Mr Fung were paid to his related family trust – the Meng Seng Family Trust.
6. Options issued to NED's were not performance based.

ADDITIONAL STATUTORY DISCLOSURES RELATING TO OPTIONS AND SHARES

This section provides additional disclosures required under the Corporations Act 2001.

The table below discloses movements in shareholdings of the Company's KMPs and their related parties.

Table 3: Movements in Shareholdings of KMPs during the 9 months ended 31 March 2017

	Shares held at 1 July 2016	Vested Performance Rights	Bought (Sold) on market	Shares held at 31 March 2017
Directors - Non Executive				
Robin Armstrong	**-**	-	-	**-**
Quentin Olde	**18,750,000**	-	-	**18,750,000**
Tom McDonald	**-**	-	-	**-**
John Seton	**-**	-	-	**-**
	18,750,000	-	-	**18,750,000**
Executives				
Ian Bailey	**63,000,000**	-	-	**63,000,000**
	63,000,000	-	-	**63,000,000**

Table 4: Movements in Unlisted Options and Other Rights of KMPs during the 9 months ended 31 March 2017

	Balance at 1 July 2016	Granted During the Period	Other Changes[3]	Expired During Period	Unexpired at 31 March 2017[2]
Directors - Non Executive					
John Seton[1]	**-**	6,250,000	-	-	**6,250,000**
Quentin Olde[1]	**9,375,000**	6,250,000	-	-	**15,625,000**
Tom McDonald[1]	**-**	6,250,000	-	-	**6,250,000**
Robin Armstrong[1]	**-**	6,250,000	-	-	**6,250,000**
	9,375,000	**25,000,000**	-	-	**34,375,000**
Executives					
Ian Bailey	-	-	300,000,000	-	**300,000,000**
	-	**-**	**300,000,000**	**-**	**300,000,000**

Notes:

1. During the year the directors were each issued with 6,250,000 free unlisted options. The issue of these options was confirmed on 30 November 2016 at the FY16 AGM. The options have an exercise price of 2.5 cents, entitle the holder to one ordinary share and expire on 16 December 2018. The options granted were not performance based and had a fair value of 0.36 cents at grant date.
2. All of the unlisted options detailed above are fully vested as at 31 March 2017.
3. The other changes relate to the interest that Mr Bailey has in the WolfStrike Vendors Earn-Out shares. See the notes for Table 1 above for further information.

Signed in accordance with a resolution of the directors.

John Seton
Chairman
31 May 2017

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

I declare that, to the best of my knowledge and belief during the 9 months ended 31 March 2017 there have been:

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

William Buck

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

N.S. BENBOW
Director
Dated this 31st day of May 2017

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

For the 9 months ended 31 March 2017

	Note	9 Months Ended 31 March 2017 $	Year ended 30 June 2016 $
Revenue from operations	6	4,461,691	1,216,258
Other income		107,673	157,080
Total revenue		**4,569,364**	**1,373,338**
Cost of sales		(2,574,197)	(937,120)
Gross profit		**1,995,167**	**436,218**
Administrative related expenses		(1,713,679)	(429,030)
Sales and marketing related expenses		(15,256)	(483,381)
Other operating expenses		(610,525)	(582,797)
Operating loss before depreciation, amortisation and financing costs		**(344,293)**	**(1,058,990)**
Amortisation of intangible assets	6	(437,726)	(166,296)
Depreciation	6	(25,921)	(71,080)
Financing costs		(1,130,608)	(223,235)
Transaction costs associated with the WolfStrike acquisition & impairment of goodwill	6	-	(11,112,484)
Gain on restructure of business operations	26	2,517,419	-
Vesting of vendor earn out shares	25	(2,750,000)	-
Loss before income tax expense		**(2,171,129)**	**(12,632,085)**
Income tax expense	9	(845)	-
Loss for the period		**(2,171,974)**	**(12,632,085)**
Other comprehensive income			
Foreign currency translation		70,304	53,632
Total comprehensive loss for the period		**(2,101,670)**	**(12,578,453)**
Loss (cents) per share attributable to ordinary equity holders of the parent company			
- basic	8	(0.25) cents	(5.49) cents
- diluted	8	(0.25) cents	(5.49) cents

The above Consolidated Statement of Profit and Loss and Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2017

	Note	31 March 2017 $	30 June 2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	10	423,765	796,198
Finance lease receivables	11	3,767,905	2,303,490
Trade and other receivables	11	141,275	77,658
Other loans	11	300,823	-
Inventories	12	191,500	1,024,389
Other assets		15,674	101,777
Total Current Assets		**4,840,942**	**4,303,512**
Non-Current Assets			
Finance lease receivables	11	5,788,322	4,095,094
Other loans	11	157,834	-
Other assets		1,028	-
Plant and equipment		98,522	216,905
Intangible assets and goodwill	13	5,350,848	5,670,054
Total Non-Current Assets		**11,396,554**	**9,982,053**
TOTAL ASSETS		**16,237,496**	**14,285,565**
LIABILITIES			
Current Liabilities			
Trade and other payables		1,322,612	954,166
Interest bearing borrowings	14	3,088,831	4,627,877
Other loans	14	290,761	1,072,228
Provisions		13,581	365,747
Total Current Liabilities		**4,715,785**	**7,020,018**
Non-Current Liabilities			
Convertible loans	15	1,851,086	-
Interest bearing borrowings	14	6,976,700	5,089,739
Total Non-Current Liabilities		**8,827,786**	**5,089,739**
TOTAL LIABILITIES		**13,543,571**	**12,109,757**
NET ASSETS		**2,693,925**	**2,175,808**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY			
Issued capital	17	20,715,990	20,715,990
Reserves	18	3,393,723	703,632
Accumulated losses		(21,415,788)	(19,243,814)
TOTAL EQUITY		**2,693,925**	**2,175,808**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 9 months ended 31 March 2017

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	$	$	$	$
2016 Financial Year				
Opening Balance as at 1 July 2015	**5,217,297**	**(6,611,729)**	**-**	**(1,394,432)**
Loss for the year	-	(12,632,085)	-	(12,632,085)
Other comprehensive income for the year	-	-	53,632	**53,632**
Total comprehensive loss	**-**	**(12,632,085)**	**53,632**	**(12,578,453)**
Options issued during the year	-	-	650,000	650,000
Issue of shares:				
a) to promoters & advertisers	1,000,000	-	-	1,000,000
b) to WolfStrike Vendors	8,086,580	-	-	8,086,580
c) to Convertible loanholders	5,000,000	-	-	5,000,000
		-	-	
Issue of shares Issued Pursuant to Prospectus Capital Raising	2,000,000	-	-	2,000,000
Costs of share issues	(587,887)	-	-	(587,887)
Balance as at 30 June 2016	**20,715,990**	**(19,243,814)**	**703,632**	**2,175,808**
2017 Financial Year				
Opening Balance as at 1 July 2016	**20,715,990**	**(19,243,814)**	**703,632**	**2,175,808**
Loss for the period	-	(2,171,974)	-	(2,171,974)
Other comprehensive income for the period	-	-	70,304	70,304
Total comprehensive loss	-	**(2,171,974)**	**70,304**	**(2,101,670)**
Common control reserve	-	-	(223,873)	(223,873)
Vesting of Vendor Earn Out Shares	-	-	2,750,000	2,750,000
Options Issued During the Year	-	-	93,660	93,660
Balance as at 31 March 2017	**20,715,990**	**(21,415,788)**	**3,393,723**	**2,693,925**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT
For the 9 months ended 31 March 2017

	Note	9 Months Ended 31 March 2017 $	Year ended 30 June 2016 $
Cash flows from operating activities:			
Receipts from customers		2,903,992	1,193,229
Payments to suppliers and employees		(5,285,115)	(3,210,625)
Finance costs paid		(71,003)	-
Net cash flows used in operating activities		**(2,452,126)**	**(2,017,396)**
Cash flows related to investing activities:			
Net cash acquired from acquisitions		(253,525)	15,807
Cash acquired from acquisition of WolfStrike Rental Services Pty Ltd		10,580	
Purchase of plant and equipment		(110,476)	(11,376)
Loans invested in third parties		(190,000)	-
Net cash flows used in investing activities		**(543,421)**	**4,431**
Cash flows relating to financing activities:			
Proceeds from convertible loans		1,854,065	-
Proceeds from the issue of new shares		-	2,000,000
Cost of capital raising		-	(587,887)
Proceeds from borrowings		790,232	736,702
Net cash flows provided by financing activities		**2,644,297**	**2,148,815**
Net (decrease) / increase in cash and cash equivalents		(351,250)	135,850
Cash and cash equivalents at beginning of financial year		**796,198**	**654,570**
Impact of foreign exchange on cash and cash equivalents		(21,183)	5,778
Cash and cash equivalents at the end of financial year	**10**	**423,765**	**796,198**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 CORPORATE INFORMATION

The consolidated financial statements of WolfStrike Rentals Group Limited, ("WolfStrike" or "WSG" or "the Company") and its controlled entities ("the Group" or "the Consolidated Entity") for the 9 months ended 31 March 2017 were authorised for issue in accordance with a resolution of directors on the date of signing the attached Director's Declaration.

The Company is an Australian "for profit" incorporated company and is limited by shares that are publicly traded on the Australian Securities Exchange ("ASX"). WolfStrike shares trade under the ticker code WSG.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis.

The Company and certain of its Controlled Entities has changed its financial year end to 31 March to align with the WolfStrike Rentals Group Limited New Zealand subsidiaries. Accordingly, the figures presented within this report reflect the transactions for the Group for the 9 months 1 July 2016 to 31 March 2017. The comparative figures presented represent the Consolidated results for the year 1 July 2015 to 30 June 2016.

The financial report is presented in Australian dollars.

2.2 Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.3 Accounting Standards and Interpretations

i. Changes in accounting policy and disclosures

The Group has adopted all of the revised or amended Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current period and they have had no significant impact on the reported position or performance of the Group.

ii. Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 31 March 2017 are outlined in the table below:

Standard	Mandatory date for annual reporting periods beginning on or after
AASB 9 Financial Instruments and related standards	1 January 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5	1 January 2018
AASB 16 - Leases	1 January 2019

AASB 9 addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group considers the new standard will have no material impact on the Group's accounting for financial instruments as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. In respect to financial assets, the Company is yet to undertake a detailed assessment of the new impairment model but does not believe there will be any material impact. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of disclosures regarding financial instruments particularly in the year of the adoption of the new standard.

AASB 15 relates to a company's recognition of revenue and may impact revenue where there are performance obligations in the future, accounting for residual value and return of goods provisions. The Group does not believe the adoption of AASB 15 will have any material impact due to its current accounting policies being in-line with the new standard where relevant.

Adoption of AASB 16 is mandatory for financial years commencing on or after 1 January 2019. The standard will primarily affect the accounting for operating leases such as the Group's lease on its Auckland premises. The Group has non-cancellable lease commitments of $932,175, see note 19. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and liability for future payments and how this will affect the Group's profit and classification of cashflows. Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

2.4 Significant Accounting Policies

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2017.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and would cease if the Company were to lose its control of the subsidiary. The Company re-assesses whether or not it controls a subsidiary if the facts and circumstances were to change.

As at 31 March 2017, all WolfStrike subsidiaries were 100% owned and controlled by the Company.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated on consolidation.

b) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administration expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with AASB 3 Business Combinations and AASB 139 Financial Instruments: Recognition and Measurement, either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity.

c) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination 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 acquired are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and is not larger than an operating segment determined in accordance with AASB 8.

The Group performs its impairment testing as at 31 March each year using a fair value less costs of disposal methodology to determine the fair value for the Goodwill.

Impairment losses recognised for goodwill are not subsequently reversed.

d) Operating segments

All WolfStrike operations are considered as part of the same segment. This is as a result of the fact that information is presented on the same basis as that used for internal reporting provided to the Chief Operating Decision Makers (CODM) of the Group. The CODM have been identified as consisting of our Managing Director, for the 9 months ended 31 March 2017, management determined that based on the structure of reports provided to the CODM and used by them for decision making and resource allocation, that the Group continues to operate only in the technology rentals segment.

e) Foreign currency translation

The consolidated financial statements of the Group are presented in Australian dollars, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The Company has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Company uses to complete its consolidation.

The functional currency of WolfStrike Distributors Limited and WolfStrike Rental Services Limited are New Zealand Dollars (NZ$).

i. Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

ii. Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the income statement.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

i. Finance Lease Revenue ("FLR")

The group's revenue relating to its leasing activities are tied to its recognition of its FLR. For recognition of both the FLR and lease revenue, there must be a legally binding contract. This requires that the customer has signed a lease contract, which is immediately entered into the Company's specialist lease tracking system. As soon as the customer's signed contract is evidenced, then the lease receivable and related revenue is recognised. In respect to the calculation of both the FLR and revenue associated with a lease, the future lease payments are reduced by a discount factor of 7% per annum and unearned revenue being future interest payments on each lease. The future interest income is recognised as revenue as it is incurred through the lease term.

ii. Interest Income

Income is recognised as interest accrues using the effective interest method.

g) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted on the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

i. Tax consolidation legislation

The Company and its wholly-owned Australian subsidiaries operate under the tax consolidation legislation as of 1 July 2003.

The Company and its Australian subsidiaries account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to wholly-owned tax consolidated entities.

ii. Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to the taxation authority.

h) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Furniture, fittings and other - over a period of three to five years
- Computer equipment - over a period of three years
- Plant and equipment - over a period of five to seven years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate at each reporting date.

An item of plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

i. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit and loss.

Operating leases, which do not recognise substantially all the risks and benefits incidental to ownership of the leased item are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) Intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred. Externally acquired intangible assets are initially recognised at the fair value of the consideration paid for the purchase.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated as follows:

- Customer List – 10 years

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

k) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Purchase cost on a first-in, first-out basis.
- Components held for resale are carried at cost.
- Finished goods are maintained on the basis of weighted average costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Impairment of non-financial assets other than goodwill

Non-financial assets other than goodwill and indefinite life intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Group conducts an annual internal review as to whether an indicator of impairment exists at each reporting date. This includes a comparison of the market capitalisation in comparison to the Group asset values. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to dispose or its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

m) Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

n) Provisions and employee leave benefits

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee Benefits

i. Wages, salaries, annual leave and personal leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in accrued liabilities and provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating personal/sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii. Long Service Leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, the Company's experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match as closely as possible the estimated future cash outflows.

It should be noted that Long Service Leave is not recognized in relation to employees of New Zealand subsidiaries, as it is not an employee benefit required to be provided for under New Zealand legislation.

As at 31 March 2017, there were no employees within the Company who qualified for Long Service Leave at this time.

o) Share Based payment transactions

Equity settled transactions

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees or other parties in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price. This includes Earn-Out shares.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

p) Finance lease receivables

Finance Lease Receivables relate to the contracted revenues relating to leases issued by the Group to its customers and originators. The contracted revenue is measured using the future contracted revenue and is then discounted and impairment tested. Future interest revenue is also excluded from the FLR.

In relation to a Finance Lease receivable, in FY 2016 a provision for Doubtful Debt recovery was taken for the value of the lease contract which was over 60 days in arrears. A provision for Bad Debts was taken once a lease contract was 90 days in arrears for the combined value remaining on the contract (ie both the unpaid value of the lease contract which was in arrears, plus the remaining future dated portion of the contract which was yet to be billed). As the Group has now moved to an agency model, contracts are now also guaranteed by the originator. This guarantee is now taken into account when assessing the recoverability of contracts in arrears and provided the Group considers the guarantee sound no provision is taken.

q) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised at fair value less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

Trade receivables are classified as non-current when their expected date of receipt is greater than 12 months.

r) Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

s) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

t) Convertible loans

Convertible loans are assessed based on their characteristics and each component of the convertible loan is separated and accounted for as required. In assessing the accounting for the convertible loans on issue, management consider whether there are any components with equity or derivative liability characteristics.

On initial recognition, for convertible loans with embedded derivative liabilities, the fair value of the embedded derivative liability is determined first and the residual value is assigned to the debt host liability. Transaction costs are to be apportioned between the debt liability and the embedded derivative.

Subsequent to initial recognition, the debt host liability is carried at amortised cost using the effective interest rate method. The derivative liability is carried at fair value through the profit and loss.

u) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of shares on issue, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenue and expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

w) After sales warranty

In determining the level of provision required for maintenance warranties the Company has made judgments in respect of the expected performance of the product, number of customers who will actually use the maintenance warranty and how often, and the costs of fulfilling the performance of the maintenance warranty. Historical experience and current knowledge of the performance of products has been used in determining this provision. The related carrying amounts are included in accrued liabilities.

2.5 Acquisition of Subsidiaries

On 18 March 2016, WolfStrike Rentals Group Limited completed the acquisition of the WolfStrike group of companies as set out in the Prospectus dated 24 December 2015. Under the business acquisition, WSG acquired 100% issued capital of the following entities:

- WolfStrike Distributors Limited;
- WolfStrike Rental Services Limited; and
- WolfStrike Distributors Pty Limited.

The acquisition of WolfStrike Distributors Limited by WolfStrike Rentals Group Limited was completed under AASB 2 Share Based Payments as the legal acquirer, WolfStrike Rentals Group Limited, did not meet the definition of a business. Following this transaction, the consolidated entity comprising WolfStrike Rentals Group Limited and WolfStrike Distributors Limited acquired WolfStrike Rentals Services Limited and WolfStrike Distributors Pty Limited under AASB 3 Business Combinations. These acquisitions gave rise to Goodwill of $1,072,734. This Goodwill was fully impaired at 30 June 2016.

The acquisition consisted of the issue of 404,329,000 fully paid ordinary shares in the parent company to the vendors. This resulted in a value of $8,086,580 being attributed to the acquisition when the share price is valued at $0.02 per share being the price funds were raised pursuant to the Prospectus at the same time the acquisition was completed.

The accounting for the acquisition of the WolfStrike group of companies has been prepared on the basis of the deemed acquisition of WDL being treated as a share based payment in accordance with AASB 2, rather than a business combination under AASB 3. Consolidation entries have been prepared in accordance with AASB 10 on the basis of WSG being the legal and accounting parent.

There is an alternative view that the presentation of the consolidated financial statements of the Group should be on the basis of a reverse acquisition as described in AASB 3. Should this approach have been adopted in preparing the consolidated financial statements the accounting parent would be WDL and the balances for Share Capital, Retained Losses and Foreign Currency Translation Reserve would be adjusted from their current presentation. All other balances in the statement of financial position would remain unchanged.

This note 2.6 relates to events that occurred in FY2016 and its impact is limited only to the historical values of the Group's consolidated opening equity account balances.

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, bank loans, finance leases, cash and short-term deposits, convertible instruments and loans to third parties.

i. Foreign currency risk

The Group separates the management of exchange rate risk between translational and transactional effects of currency movements.

The Group's main business operations are currently in New Zealand. The NZ businesses incur all revenue and the vast majority of its expenses in NZ$. Also, the main debt and borrowings are NZ$ denominated, so that the Group's foreign currency exposure in NZ$ is largely balanced and transactional currency exposure to NZ$ is therefore minimal.

Translational effects are more significant with approximately 99% of the revenues and 73% of the costs incurred in a currency (NZ$) other than the presentation currency of the Company. The Company does not hedge translational risk through available hedge products.

RISK EXPOSURES

ii. Foreign currency risk

At 31 March 2017, the Company had no foreign currency hedge arrangements in place.

The Group has NZ$ denominated borrowing of NZ$12,952,262 (AUD $11,889,595) (FY16: NZ$10,186,179 (AU$9,717,615)). The table below sets out that borrowing:

	NZD	AUD
	$	$
Interest bearing liabilities	11,022,262	10,065,530
Convertible loans	1,930,000	1,824,065
	12,952,262	11,889,595

The following sensitivity is based on the foreign currency risk exposures in existence at the reporting date.

At 31 March 2017, had the Australian dollar moved, as illustrated in the table below with all other variables held constant, post-tax profit would have been affected as follows:

Judgments of reasonable possible movements	Post Tax Profit/(loss) Higher/(Lower)		Equity Higher/(Lower)	
	2017	2016	2017	2016
	$	$	$	$
AUD $/NZ$ +10%	124,215	121,365	124,215	121,365
AUD $/NZ$ - 5%	(62,107)	(60,683)	(62,107)	(60,683)

Management believes the reporting date risk exposures are representative of the risk exposure inherent in the financial instruments.

Foreign exchange risk is managed by the fact that in addition to the Group's debt being in NZD, 99% of its revenues are also in NZD.

iii. Interest Rate risk

The Company's exposure to interest rate risk is limited to its FEI borrowings. These borrowings are priced with reference to a floating interest rate and its cashflow management and forecasting is therefore exposed to changes in that rate. There was no material risk to changes in fair values of the interest bearing liabilities during the period.

iv. Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures which include an assessment of their independent credit rating, financial position, past experience, and industry reputation. Risk limits are set for each customer in accordance with parameters set by the Board. These risk limits are regularly monitored. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is spread. There are no significant concentrations of credit risk within the Company. Also, since moving to an agency model the Company has guarantees from its originators that are able to be utilised in the event that the end customer defaults.

v. Liquidity risk

The Company's objective is to maintain continuity of funding through the use of bank loans, committed available credit lines and convertible instruments. The Company policy is to lock in borrowing facilities for a period of up to six years with individual loans borrowed under the FEI facilities set out in Note 14.

Maturity analysis of financial assets and liabilities based on management's expectation
The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in the Group's ongoing operations such as property, plant, equipment, and investments in working capital such as inventories and trade receivables. These assets are considered in the Group's overall liquidity risk.

To monitor existing financial assets and liabilities as well as to facilitate the effective control of future risks, the Group has established comprehensive risk reporting that reflects management's expectations of the settlement of financial assets and liabilities.

9 months ended 31 March 2017:

	<=6 months	6-12 months	1-5 years	>5 years	Total
Consolidated	$	$	$	$	$
Financial assets:					
Cash and cash equivalents	423,765	-	-	-	**423,765**
Finance Lease receivables	1,942,471	1,825,434	5,787,489	833	**9,556,227**
Other receivables	426,424	15,674	157,834	-	**599,932**
Other financial assets	14,646	1,028	1,028	-	**16,702**
	2,807,306	**1,842,136**	**5,946,351**	**833**	**10,596,626**
Financial liabilities:					
Trade and other payables	1,322,612	-	-	-	**1,322,612**
Other loans	38,354	252,407	-	-	**290,761**
Convertible loans	-	-	1,851,086	-	**1,851,086**
Interest bearing borrowings	1,521,950	1,566,881	6,976,700	-	**10,065,531**
	2,882,916	**1,819,288**	**8,827,786**	**-**	**13,529,990**
Net maturity	**(75,610)**	**22,848**	**(2,881,435)**	**833**	**(2,933,364)**

Year ended 30 June 2016:

Consolidated	<=6 months $	6-12 months $	1-5 years $	>5 years $	Total $
Financial assets:					
Cash and cash equivalents	796,198	-	-	-	**796,198**
Finance Lease receivables	1,223,451	1,080,039	4,095,094	-	**6,398,584**
Other receivables	77,658	-	-	-	**77,658**
Other financial assets	63,972	37,804	-	-	**101,777**
	2,161,279	**1,117,843**	**4,095,094**	-	**7,374,216**
Financial liabilities:					
Trade and other payables	954,166	-	-	-	**954,166**
Other loans	40,068	1,032,160	-	-	**1,072,228**
Interest bearing borrowings	1,157,325	3,470,552	5,089,739	-	**9,717,616**
	2,151,559	**4,502,712**	**5,089,739**	-	**11,744,010**
Net maturity	**9,720**	**(3,384,869)**	**(994,645)**	-	**(4,369,794)**

Note: Please refer to note 14 for details regarding liquidity risk of interest bearing loans and borrowings.

vi. Fair value

The carrying amounts of financial assets and liabilities are a reasonable approximation of fair value.

NOTE 4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

i. Recoverability of Finance Lease Receivables ("FLR")

The measurement of the recoverability of the Group's FLR requires judgement from management by taking into account past historical data, knowledge of the individual customer and timing of cashflows when recoverability is measured. In addition the security received in the form of guarantees from Group's originators including the creditworthiness of those guarantees is taken into account when assessing the recoverability of the FLR.

ii. Net Present Value of FLR and Discount Rates Applied

In measuring the discounting of the FLR, management takes into account timing of cashflows, discounting rates for comparative businesses and other relevant information. The discount rate of 7% that is used is based on management's estimate taking into account relevant factors such as risk free rates, credit risk and commercially available, industry rates for lease financing in New Zealand.

iii. Impairment of Intangible Assets

When deciding the level of impairment of intangible assets management gives consideration to the potential for that asset to generate revenue in the future and external factors, such as changes in expected future processes, technology and economic conditions. Also relevant is the multiple of revenues contained within the valuation including consideration of potential bad debts. In assessing whether there is a need to impair any of the Group's intangible assets, consideration is given to the re-signing and churn rates of the customer list. Should these factors be performing in line with expectations no impairment is made and the amortisation expensed equates broadly to portion of the customer list that has not re-signed during the period of each lease term.

iv. Share Based Payments

When valuing share based payments management exercises judgement in items such as share price used, drivers for any derivative aspect to the share based payment and timing of any vesting of the share based payment.

NOTE 5 SEGMENT INFORMATION

AASB 8 – Operating Segments requires a management approach under which segment information is presented on the same basis as that used for internal reporting provided to the Chief Operating Decision Makers (CODM) of the Group. The CODM have been identified as consisting of our Managing Director, for the 9 months ended 31 March 2017, management determined that based on the structure of reports provided to the CODM and used by them for decision making and resource allocation, that the Group continues to operate only in the technology rentals segment.

Geographical information
The majority of the Group's revenue is generated in New Zealand.

The majority of the Group's assets are held in New Zealand

Reliance on customers
No single customer represents more than 10% of the Groups revenue as at 31 March 2017.

NOTE 6 REVENUE, OTHER REVENUE, OTHER INCOME AND EXPENSES

	31-Mar-17 $	30-Jun-16 $
Revenues and expenses		
Revenue from operations, sales from operations and interest income	4,461,691	1,216,258
Depreciation, amortisation and impairment costs included in income statement		
Impairment of Goodwill	-	(1,072,734)
Depreciation of other assets	(25,921)	(71,080)
Amortisation of intangibles	(437,726)	(166,296)
Other material Profit or Loss items		
Acquisition transaction costs	-	(10,039,750)
Gain on restructure of business operations	2,517,419	-
WolfStrike vendor earn out shares	(2,750,000)	-
Options Expense	(93,660)	-
Employee benefits expense		
Wages and salaries	(1,340,184)	(771,345)
Payroll benefits	-	(2,189)
Other payroll related expenses	-	(49,984)

NOTE 7 DIVIDENDS PAID AND PROPOSED

No Dividends have been declared or paid in 2017 (2016: Nil)

Franking credit balance

There are no franking credits available for future reporting periods.

NOTE 8 LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year adjusted for the effects of dilutive options not yet converted to shares. As the Group has recorded a loss for both FY17 and FY16 the impact of any dilutive options and convertible loans not yet converted to shares would be nil.

The following reflects the income and share data used in the total operations basic earnings per share computations:

	2017 Loss	2016 Loss
	$	$
Loss for the period for basic earnings per share	**(2,101,670)**	**(12,578,453)**
Number of ordinary shares for basic earnings per share	842,775,340	229,178,674
	Cents	Cents
Basic / Diluted loss per share (in cents)	(0.25)	(5.49)

NOTE 9 INCOME TAX LOSSES

At 31 March 2017, the Directors reviewed the quantum of its unrecognised carry forward tax losses attributable to the Group. As at that date directors have assessed that it had carry forward tax losses and deductible temporary differences of $8,191,481 in 2017, amounting to deferred tax assets of $2,293,614, are potentially available to offset against future years' taxable income. In addition, there are black hole deductions of $919,168 potentially available in future periods.

These tax losses have not been brought to account as utilisation of these losses is not probable. Income tax losses can only be recovered by the Group deriving future assessable income, conditions for deductibility imposed by law being complied with and no changes in tax legislation adversely affecting the realisation of the benefit from the deductions. Therefore, carry forward losses may not be available to offset future assessable income.

NOTE 10 CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 March 2017 (30 June 2016 comparative):

	2017 $	2016 $
Cash at bank and on hand	423,765	376,198
Cash held in Third Party Trust Account	-	420,000
	423,765	**796,198**
Reconciliation of net loss after tax to net cash flows from operations		
Net profit after income tax	(2,171,974)	(12,632,085)
Non cash flow items		
Amortisation and depreciation	463,648	237,376
Accrued interest on borrowings	1,011,800	223,235
Gain on restructure of business operations – non-cash	(2,517,419)	-
Transaction Costs	-	10,568,409
Share and option based payments	2,843,660	-
Change in operating assets and liabilities		
Decrease/(Increase) in Receivables	(3,221,260)	(357,187)
(Increase)/Decrease in inventories	832,889	(218,155)
Increase/ (Decrease) in provisions	352,166	(11,027)
Decrease / (Increase) in other assets	(458,657)	(33,765)
Increase in payables and other loans	413,021	205,803
Net cash flows used in operating activities	**(2,452,126)**	**(2,017,396)**

Cash at bank and on hand earns interest at floating rates based on daily bank deposit rates.

NOTE 11 RECEIVABLES

	2017 $	2016 $
Current		
Finance lease receivables	3,767,905	2,655,490
Loans to third parties	300,823	-
Trade and other receivables	203,433	77,658
Allowance for impairment losses	(62,158)	(352,000)
Total Current	**4,210,003**	**2,381,148**
Non-Current		
Finance lease receivables	5,788,322	4,720,872
Other loans	157,834	-
Allowance for impairment losses	-	(625,778)
Total Non-Current	**5,946,156**	**4,095,094**

Credit Risk – Trade Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than receivables specifically provided for and mentioned within this note. The class of assets described as Trade and other receivables is considered to be the main source of credit risk related to the Group.

Movements in the allowance for impairment loss were as follows:

	2017 $	2016 $
At 1 July 2016	-	-
Charged (utilised) for the year	(915,620)	977,778
At 31 March 2017	**(915,620)**	**977,778**

The main reason for the change in impairment loss is the reversal of prior year impairments due to a restructure of business operation. Given the Group now received guarantees from its originators it is no longer necessary to rely solely on the end customers credit worthiness.

As at 31 March 2017 (30 June 2016 comparable) the ageing analysis of receivables is as follows:

	Total	Not Yet Due	0-30 days	31-60 days	60+ days	CI*
2017	11,261,416	10,635,996	92,413	105,792	365,056	62,158
2016	8,248,935	7,238,492	8,622	24,043	-	977,778

*Considered Impaired ("CI") – Management consider the recoverability of receivables each reporting date. The receivables which are considered impaired range from not yet due to over 90 days.

Unearned interest and allowance for impairment losses are not included in the ageing analysis of receivables

NOTE 12 INVENTORIES (CURRENT)

	2017 $	2016 $
Finished goods held at cost	191,500	1,543,449
Impairment of inventories	-	(519,060)
Total Inventory held, at net realisable value	**191,500**	**1,024,389**

Inventory is held at the lower of cost or net realisable value.

NOTE 13 INTANGIBLE ASSETS AND GOODWILL

9 months ended 31 March 2017

	Customer List $	Goodwill $	Total $
At 1 July 2015, net of accumulated amortisation and impairment	-	-	-
Customer List acquired on 18 March 2016	5,836,350	-	**5,836,350**
Goodwill on acquisition	-	1,072,734	**1,072,734**
Amortisation and impairment	(166,296)	(1,072,734)	**(1,239,030)**
At 1 July 2016, net of accumulated amortisation and impairment	**5,670,054**	**-**	**5,670,054**
Goodwill on acquisition	-	118,520	**118,520**
Amortisation and impairment	(437,726)	-	**(437,726)**
Net carrying amount at 31 March 2017	**5,232,328**	**118,520**	**5,350,848**

The Group did not perform impairment testing on intangible assets and goodwill as at 31 March 2017 due to there being no indicators of impairment and goodwill being less than one year old, thus no impairment test was required.

All impairment losses were recognised in the consolidated statement of profit and loss and other comprehensive income at 31 March 2017.

NOTE 14 INTEREST-BEARING LOANS AND BORROWINGS

	2017 $	2016 $
Current		
FEI Debt Facilities	3,088,831	4,627,877
Other Borrowings	290,761	1,072,228
Total Current	**3,379,592**	**5,700,105**
Non-Current		
FEI Debt Facilities	6,976,700	5,089,739
Convertible loans	1,851,086	-
Total Non-Current	**8,827,786**	**5,089,739**
	12,207,378	**10,789,844**

Financing facilities available

	2017 $	2016 $
Total facilities committed		
FEI Debt Facilities	11,607,424	10,250,413
	11,607,424	**10,250,413**
Facilities used at reporting date		
FEI Debt Facilities	10,065,531	9,717,616
	10,065,531	**9,717,616**
Facilities unused at reporting date	**1,541,893**	**532,797**

At reporting date the Group holds a number of facilities with FE Investments Limited. A summary of these facilities is set out below:

Rental Financing Facility

Borrower:	WRS
Term:	Various - different for each individual contract
Facility Limit:	$10,958,400 (FY16 $7,632,000)
Drawn as at 31 March 2017:	$9,416,507 (FY16: $7,099,203)

Stock Facilities

Borrower:	WDL
Term:	12 Months
Facility Limit:	$0 (FY16 $1,782,187)
Drawn as at 31 March 2017:	$0 (FY16: $1,782,187)

Term Loan

Borrower:	WRS
Term:	12 Months
Facility Limit:	$649,024 (FY16 $836,226)
Drawn as at 31 March 2017:	$649,024 (FY16: $836,226)

(Together “the FEI Facilities”)

The FEI Facilities are secured over all assets of the Group. The Company and certain of its Controlled Entities have provided guarantees in respect to each facility.

The net debt position of the Group at 31 March 2017 was $12,207,378 (FY16: $10,789,844) (including FEI debt of $10,065,531) (2016: $9,717,616). The FEI debt included $10,065,531 (FY16:$7,935,523) for carrying value of the Customer Rental book and $Nil (FY16: $1,782,188) relating to inventories.

NOTE 15 CONVERTIBLE LOANS

During the year, the Company raised funds through the issue of convertible loan agreements with various parties to raise a total of $1,854,065. The purpose of raising those funds was to provide working capital support to the Group and finance certain acquisitions. The right of conversion into ordinary shares is at the hands of the loanholder or, in certain circumstances, the Company. The Company considers that it will be entitled to convert the loans on the completion of the acquisition of FEI (see Note 23).

The convertible loans have the following features:

- Term of 2 years
- Interest Rate – 10.5% per annum, payable monthly in arrears
- Convertible at any time after 12 months, at the election of the loanholder at a 20% discount to the 30 day VWAP
- Convertible at the election of the Company, on a "change event" occurring at a 20% discount to the 30 day VWAP
- For each $2 loaned to the Company, the loanholder will receive one free unlisted option with the following terms:
    - Term: 24 month term
    - Exercise Price: 2 cents per option, total expense of $3,672 is included in options reserve

Note that all Convertible Loans were converted into ordinary shares in WSG on 10 May 2017.

NOTE 16 CONTINGENCIES

There are no contingent assets or liabilities at 31 March 2017 (30 June 2016: Nil).

NOTE 17 ISSUED CAPITAL

	2017	2016
	$	$
Ordinary shares:		
Issued and fully paid	20,715,990	20,715,990

	9 months to 31 March 2017		Full year to 30 June 2016	
Ordinary shares – Fully paid	No.	$	No.	$
Balance at the beginning of the year	**842,775,340**	**20,715,990**	**38,446,340**	**5,217,297**
Issue of shares to promoters and advisors	-	-	50,000,000	1,000,000
Issue of shares pursuant to Prospectus Capital Raising	-	-	100,000,000	2,000,000
Issue of shares to WolfStrike vendors	-	-	404,329,000	8,086,580
Issue of shares to convertible loanholders	-	-	250,000,000	5,000,000
Costs of share issues	-	-	-	(587,887)
Balance at the end of the year	**842,775,340**	**20,715,990**	**842,775,340**	**20,715,990**

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each Share is entitled to one vote. Ordinary shares have no par value and the Company does not have a limited amount of capital.

Capital Management

The Group's objectives when managing capital are to:

- Safeguard the ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTE 18 RESERVES

Nature and purpose of reserves

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The Options reserve is used to record the value of the unlisted options on issue. The Common Control reserve is used to record value acquired in transactions that are classified as common control transactions. The Share reserve is used to record value of share based payments where the shares have vested but have not yet been issued.

Movements in reserves were as follows:

	Foreign currency translation	Share reserve	Options reserve	Common control reserve	Total
	$	$	$	$	$
At 1 July 2015					
Options issued during the year	-	-	650,000	-	650,000
Effect of exchange rate movement	53,632	-	-	-	53,632
At 1 July 2016	**53,632**	**-**	**650,000**	**-**	**703,632**
Options issued during the year	-	-	93,660	-	93,660
Acquisition of WolfStrike Rental Services Pty Ltd	-	-	-	(223,873)	(223,873)
Vesting of vendor earn-out shares	-	2,750,000	-	-	2,750,000
Effect of exchange rate movement	70,304	-	-	-	70,304
At 31 March 2017	**123,936**	**2,750,000**	**743,660**	**(223,873)**	**3,393,723**

NOTE 19 COMMITMENTS

a) Operating leases

The Group leases a property in Auckland under a lease with a term of 6 years (5 years remaining) with an option for a further renewal for 6 years.

As at 31 March 2017 the future minimum lease payments were as follows:

	2017	2016
	$	$
Within 1 year	180,421	186,704
After 1 year but not more than 5 years	721,684	1,529,766
More than 5 years	30,070	305,953
	932,175	**2,022,423**

WolfStrike has subleased part of the property to EWL and Ironman Security Limited. Of the total commitments of $932,175 the subleases total $664,522. During the nine months ending 31 March 2017 operating lease expense was $110,825.

NOTE 20 DETAILS OF CONTROLLED ENTITIES

The consolidated financial statements include the financial statements of WolfStrike Rentals Group Limited and its controlled entities listed in the following table:

	Country of Incorporation	Equity interest 2017 %	Equity interest 2016 %
Controlled entities of WolfStrike Rentals Group Limited			
WolfStrike Rental Services Limited (“WRSL”)	New Zealand	100	100
WolfStrike Distributors Limited (“WDL”)	New Zealand	100	100
WolfStrike Distributors Pty Ltd (“WDPL”)	Australia	100	100
WolfStrike Rental Services Pty Ltd (“WRSPL”)	Australia	100	0

The ultimate parent

WolfStrike Rentals Group Limited is the ultimate parent of the Group.

Controlled Entities Details

The following is a summary of each controlled entity:

- WRSL – main operating subsidiary issuing lease financing to originators and customers.
- WDL – holds Auckland lease and otherwise dormant.
- WDPL – holds small amount of inventory and otherwise dormant.
- WRSPL – operates small leasing book in Australia.

By holding 100% of the issued capital in each controlled entity, the Company holds all voting rights in each.

NOTE 21 COMPENSATION OF THE GROUP’S KEY MANAGEMENT PERSONNEL INCLUDING NON-EXECUTIVE DIRECTORS

	2017 $	2016 $
Salary and fees	309,248	189,399
Other fees	51,344	94,667
Long-term employment benefits	-	-
Termination payments	-	-
Share based payments	1,739,988	-
	2,100,580	**284,066**

Other transactions and balances with key management personnel and their related parties

There has been no other transactions with KMP.

There are the following related party balances outstanding to Ian Bailey and parties related to him.

	2017 $	2016 $
Ian Bailey	151,097	186,945
River Horse Trustee Ltd	115,018	120,156
	266,116	**307,101**

The difference between the balance as at 2016 and 2017 is a combination of exchange rate movements and a small repayment to Ian Bailey.

Parties related to Mr. McDonald held convertible loans with a value of $30,000 as at 31 March 2017. On 10 May 2017 these convertible loans were converted to ordinary shares.

Equity Purchases

During the year the following equity transactions occurred between the Company and related parties.

- All Non-Executive directors were each issued with 6,250,000 free unlisted options with an exercise price of $0.025 and an expiration date of 16 December 2018.

NOTE 22 PARENT ENTITY INFORMATION

Information relating to the parent entity, WolfStrike Rentals Group Limited.

	2017 $	2016 $
Current assets	2,740,931	1,612,037
Non-current assets	5,862,593	5,670,054
Total assets	**8,603,524**	**7,282,091**
Current liabilities	445,682	514,102
Non-current liabilities	1,851,086	-
Total liabilities	**2,296,768**	**514,102**
Net assets	**6,306,756**	**6,767,989**
Contributed equity	20,715,990	20,319,689
Accumulated losses	(17,902,894)	(14,201,700)
Reserves	3,493,660	650,000
Total shareholders' equity	**6,306,756**	**6,767,989**
Loss of the parent entity	(3,896,420)	(9,088,282)
Total comprehensive loss of the parent entity	(3,896,420)	(9,088,282)

Contingent liabilities

The Company does not have any contingent liabilities at 31 March 2017 (FY16: Nil).

Guarantees

As at 31 March 2017 (and 30 June 2016) WolfStrike Rentals Group Limited is a guarantor to the FEI Facilities which is described in Note 14 and the lease on the Auckland premises described in Note 19.

NOTE 23 EVENTS AFTER BALANCE DATE

Other than the matters discussed below, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or 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.

a) On 26 May 2017, the Company announced it had received Reserve Bank of New Zealand for the acquisition of 100% of the issued shares in FEI, a company incorporated in New Zealand, for 100% scrip consideration. This followed the Company receiving shareholder approval at an Extra-Ordinary General Meeting of Members ("EGM") held on 8 March 2017. Given all material conditions precedent to the acquisition have now been met the Company and FEI will move to complete the acquisition.

b) On 10 May 2017 WSG converted all outstanding Convertible Loans in ordinary shares in WSG. This resulted in 359,573,768 ordinary shares being issued to the Convertible Loan holders. The Conversion rights were approved at the 8 March 2017 EGM.

c) On 11 May 2017 certain outstanding loans were converted into equity under WSG's placement capacity pursuant to Listing Rule 7.1 and 7.1A by the issue of 103,459,538 ordinary shares. The total amount of these loans was $640,625.

NOTE 24 AUDITOR'S REMUNERATION

	2017 $	2016 $
William Buck		
Amount received or due and receivable by William Buck for audit or review of the financial report of the consolidated entity	56,500	31,800
Taxation advice and services	23,726	-
	80,226	**31,800**

NOTE 25 SHARE BASED PAYMENTS

Unlisted Options

During the year, the Company granted 25,000,000 free attaching unlisted options to Non-Executive Directors. The options are exercisable at $0.025 per options on or before two years from issue. Approval was obtained by shareholders at the Annual General Meeting of the Company held on 30 November 2016.

Set out below are summaries of options granted during the current financial year:

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted	Exercised	Expired/ forfeited/ other	Balance at end of year
2016							
24/03/2016	24/03/2018	$0.020	-	125,000,000	-	-	125,000,000
2017							
16/12/2016	16/12/2018	$0.025	125,000,000	25,000,000	-	-	150,000,000
			125,000,000	25,000,000	-	-	150,000,000

Set out below are the options outstanding at the end of the financial year:

Grant Date	Expiry Date	2017 Number
24/03/2016	24/03/2018	125,000,000
16/12/2016	16/12/2018	25,000,000
		150,000,000

The weighted average share price during the financial year was $0.0098.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 20.5 months.

For the options granted during the current financial year, the Black Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

2017

Grant Date	Expiry Date	Share price at grant date	Exercise Price	Expected Volatility	Risk Free Rate	Dividend Yield	Fair Value at grant date
16/12/2016	16/12/2018	$0.013	$0.025	80%	5%	0	$0.0036

Earn-Out Shares

Certain of the Vendors had a right to 596,000,000 “earn out” shares over two tranches. During FY17 final agreement and shareholder approval was obtained regarding these earn out shares which were granted on 8 March 2017 following the shareholder approval. The final agreement is a total of up to 500,000,000 shares. There are eight agreed hurdles over two tranches that trigger these shares. In addition, should a Material Change Event occur all shares will immediately be issued. The completion of the acquisition of FEI will constitute a Material Change Event. As set out in Note 23, approval has been received from the RBNZ which is the last material condition precedent to the transaction.

Details of the Earn-Out Shares are as follows:

Grant Date	8 March 2017
Service/ Performance Criteria	8 hurdles or Material Change Event
% of grant that vested	50%
% of grant forfeited	0%
Future year in which the unvested grant could become payable	2018
Estimate max / min that could be payable	Nil - $5,500,000
Number of rights granted	500,000,000
Number of rights vested	250,000,000
FV of each right at grant date	1.1 cents
Exercise price	N/A
Expiry date	8 March 2019
Dates when they may be exercised	8 March 2017 to 8 March 2019

NOTE 26 GAIN ON RESTRUCTURE OF BUSINESS OPERATIONS

On 1 October 2016, the Group entered into an Originator Agreement and Master Deed of Assignment (Originator Agreement) with EFTPOS Warehouse Ltd (EWL). Under this arrangement, the Group would continue to transact with its new and existing customers as a finance lease lessor, with title and ownership of equipment rented to the customer held by the Group, and returned to the Group at the completion of the lease arrangement (if not rolled over into a new finance lease). However, the activity of setting up, installing and delivering equipment and point-of-sales systems to clients would be sourced through EWL. As part of the arrangement, EWL have agreed also to indemnify the Group for any credit losses on finance lease receivables and also to manage post-sales care and servicing. These indemnities extended to both new and existing customers of the Group, for which EWL has transacted both as sourcing and sales agent.

In-advance of this Originator Agreement, both parties agreed for the Group to sell to EWL assets and liabilities which the Group previously held for the purposes of conducting the aforesaid activities which it outsourced from 1 October 2016. The date of this sale transaction was 1 August 2016. The transaction did not involve the transfer of any cash consideration.

Both transactions have been reflected as a gain on restructure of business operations as follows:

Sale of assets and liabilities	**$**
Disposal of inventories	(852,606)
Disposal of plant and equipment	(208,908)
Inventory finance re-assigned	1,767,888
Trade creditors re-assigned	339,415
Gain on disposal of assets and liabilities	**1,045,789**
Gain from indemnities entered into from the Originator Agreement	
Reassessment of provision for doubtful finance lease receivables	1,123,400
Reassessment of the provision for after-sales care	348,229
Gain from indemnities entered into arising from the Originator Agreement	**1,471,630**
Total gain on restructure of business operations	**2,517,419**

NOTE 27 ACQUISITIONS

Acquisition of WolfStrike Rental Services Pty Ltd ("WRSPL")

On 3 July 2016, the Company completed the acquisition of 100% of the issued capital of WRSPL which was previously owned by River Horse Trustee Ltd, an entity controlled by Ian Bailey, for total consideration of $1.

Identifiable assets acquired and liabilities assumed include the following:

	$
Cash and cash equivalents	10,581
Finance lease receivable	223,640
Inventory	477
Plant and equipment	1,261
Trade and other payables	(46,665)
WolfStrike related loans[1]	(279,176)
Interest bearing liabilities	(133,992)
Net Identifiable Assets Acquired	**(223,874)**
Consideration Paid	1
Common control reserve rising from acquisition[2]	(223,873)

Notes:

1. These loans are eliminated on consolidation.
2. As WRSPL was owned by River Horse Trustee Limited it is seen as a common control transaction and therefore the difference between consideration paid and net identifiable assets acquired is accounted for through a common control reserve account by applying the predecessor method of accounting. In applying the predecessor method, the Group has chosen not to restate financial information in the consolidated financial statements for the period prior to the combination under common control.

Acquisition of business of LeaseTech

On 1 November 2016, the Company completed the acquisition of the LeaseTech business, being certain assets owned by LeaseTech Ltd. The LeaseTech brand name is well established in New Zealand, with considerable scope to expand its distribution channels. As part of the acquisition, WolfStrike continues to own and operate the LeaseTech brand and has absorbed the LeaseTech sales management team as part of the WRS entity in New Zealand.

These financial statements include the results of LeaseTech for the period since acquisition. The accounting for the LeaseTech acquisition has been provisionally determined as at 31 March 2017, as the process of determining the fair value of the net identifiable assets acquired is still in progress.

Identifiable assets acquired and liabilities assumed

	$
Cash and cash equivalents	65,097
Trade and other receivables[1]	189,917
Plant and equipment	944
Employee provisions assumed	(5,201)
Net Identifiable Assets Acquired	**250,757**
Consideration Paid[2]	369,277
Goodwill arising on acquisition[3]	118,520

Notes:

1. We expect all trade receivables acquired through acquisition to be recovered in full for the Group.
2. Consideration paid was by way of direct payment to certain trade payables and interest bearing borrowings of LeaseTech Ltd on its payment direction.
3. Goodwill recognised is primarily attributed to the expected benefits which arise from LeaseTech's customer relationships and relationships with certain originators.

Acquisition Cost

Transaction costs of $10,500 associated with the acquisition have been expensed and are included within other expenses in the consolidated statement of profit or loss and other comprehensive income.

Contingent Assets / Liabilities

No contingent assets or liabilities were assumed by the Company as a result of the acquisition of LeaseTech.

Revenue and profit contribution

The Company's profit before income tax expense included revenue of $862,509 and a profit of $90,216 relating to the LeaseTech business, since the date of acquisition. Due to the inconsistent nature of the LeaseTech business it is not practical to calculate the contribution to revenue and profit before income tax expense as if the transaction had occurred on 1 July 2016.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of WolfStrike Rentals Group Limited I state that:

1. In the opinion of the directors:

   a) The financial statements and notes of WolfStrike Rentals Group Limited and consolidated entities for the financial 9 months ended 31 March 2017 are in accordance with the Corporations Act 2001 (Cth), including:

      i. Giving a true and fair view of its financial position as at 31 March 2017 and of its performance;

      ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001 (Cth);

   b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.2;

   c) As detailed in Note 2.1 of the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the Chief Executive Officer in accordance with section 295A of the Corporations Act 2001 (Cth) for the financial 9 months ended 31 March 2017.

On behalf of the board

John Seton
Chairman
31 May 2017

WolfStrike Rentals Group Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of WolfStrike Rentals Group Limited, (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 31 March 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the nine-months then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 March 2017 and of its financial performance for the nine-months then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

During the year ended 30 June 2016, WolfStrike Rentals Group Limited acquired WolfStrike Distributors Ltd, WolfStrike Rental Services Ltd and WolfStrike Distributors Pty Ltd (the "transaction"). The accounting for this transaction was such that the transaction between WolfStrike Rentals Group Limited and WolfStrike Distributors Limited was accounted for in accordance with AASB 2 Share Based Payments because WolfStrike Rentals Group Limited did not meet the definition of a business. The 30 June 2016 financial statements consider that the newly formed "group" consisting of WolfStrike Rentals Group Limited and WolfStrike Distributors Limited met the definition of a business and thus account for the acquisition of WolfStrike Rental Services Ltd and WolfStrike Distributors Pty Ltd as a business combination in accordance with AASB 3 Business Combinations notwithstanding that all acquisitions took place on the same date.

It was however our considered view that the transaction in totality should have been accounted for in accordance with AASB 2 Share Based Payments based on an IFRIC agenda decision on accounting for reverse acquisitions that do not constitute a business. Based on this IFRIC agenda decision AASB 3 Business Combinations should have been applied first by analogy to determine which of the entities was to be identified as the accounting acquirer. Should AASB 3 Business Combinations have been applied first in identifying the accounting acquirer the consolidated financial report of WolfStrike Rentals Group Limited would have identified WolfStrike Distributors Ltd as the accounting parent.

As a consequence the reported consolidated position and performance of the newly formed group would have been significantly different.

As at 31 March 2017 the consolidated entity has continued to adopt this accounting treatment, which materially impacts upon the opening and closing balances of equity and the comparative results disclosed in these financial statements.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

RESTRUCTURE OF BUSINESS OPERATIONS	
Area of focus **Refer also to notes 2 and 26**	**How our audit addressed it**
The Group entered into an Originator Agreement and Master Deed of Assignment with EFTPOS Warehouse Ltd (EWL) on 1 October 2016 which restructured the Group's business operations. A sale of assets and liabilities to EWL preceded these agreements which resulted in a gain on restructuring of $2.5 million. Accounting for this transaction is complex and required significant judgements and estimates by management including: — to reassess provisions for doubtful finance lease receivables and after-sales care; and to assess any credit risk associated with the indemnification clause.	Our audit procedures included: — Reviewing the agreements to understand the key terms and conditions of the transaction; — We evaluated management's judgement and assumptions used reversing the provisions for doubtful finance lease receivables and after-sales care in response to indemnification clause within the agreements. We assessed the adequacy of the Group's disclosures in respect of the acquisition.

BUSINESS COMBINATIONS	
Area of focus **Refer also to notes 2 and 27**	**How our audit addressed it**
The Group acquired LeaseTech Ltd for $369,277, which is considered a significant purchase for the Group. Accounting for this transaction is complex and required significant judgements and estimates by management: — to determine the date of acquisition; — to determine the fair value of assets and liabilities acquired; — to determine the tax bases for deferred tax assets and liabilities; — to determine the fair value of deferred consideration; — to determine the non-controlling interest; — to allocate the purchase consideration to goodwill and separately identifiable intangible assets.	Our audit procedures included: — Review of the sale and purchase agreement to understand the key terms and conditions of the acquisition; — Assessment of the intangible assets identified by management for their separability and basis to allow recognition assessed whether the measurement basis and assumptions underlying the estimate of fair values were appropriate; and — Testing of the Group's determination of fair values with reference to accounting records; We also assessed the adequacy of the Group's disclosures in respect of the acquisition.

SHARE BASED PAYMENTS	
Area of focus **Refer also to notes 2 and 25**	**How our audit addressed it**
The Group has entered into share-based payment arrangements with certain vendors in connection with the purchase of the WolfStrike group. Each of these arrangements required significant judgments and estimations by management, including the following: — The evaluation of the grant date of each arrangement, and the evaluation of the fair value of the underlying share price of the company as at that grant date; — The evaluation of the vesting charge taken to the profit or loss in-respect of the accrual of service and performance conditions attached to those share-based payment arrangements;	Our audit procedures included: — Evaluating the fair values of share-based payment arrangements by agreeing assumptions to third party evidence. In determining the grant dates, we evaluated what were the most appropriate dates based on the terms and conditions of the share-based payment arrangements. — Evaluating the progress of the vesting of share-based payments with performance milestones, we also evaluated management's assessment of the likely success or failure of achieving those milestones. In assessing the vesting of service conditions, we considered the expensing of the proportion of services rendered under the arrangement. — For the specific application of the valuation, we assessed the experience of the external

William Buck

SHARE BASED PAYMENTS Cont	
Area of focus **Refer also to notes 2 and 25**	**How our audit addressed it**
— The evaluation of key inputs into the valuation, including the probability of achieving performance hurdles. The results of these share-based payment arrangements materially affect the disclosures in this financial report.	— expert used to advise the value of the arrangement. We evaluated the key — assumptions used in the model and recalculated those fair values using the skill and know-how of our Corporate Advisory team. We considered that the probability of achieving performance hurdles applied in the model to be appropriately reasonable and within industry norms. We also reconciled the vesting of these share-based payment arrangements to disclosures made in both the key management personnel compensation note and the disclosures in the Remuneration Report.

GOING CONCERN	
Area of focus **Refer also to note 23**	**How our audit addressed it**
The Group is in a growth phase and is continuing to build and service its customer base. The transaction with FE Investments Limited (FEI) is an important milestone for the group to continue its growth phase and access wholesale finance necessary for its finance lease debtor customers. As discussed in the subsequent events review note to the financial statements, the approval by the Reserve Bank of New Zealand of the transaction means that accessing this wholesale finance is now almost complete as both parties have obtained shareholder approval for the transaction. Based upon this transaction and upon a detailed review of the Group's forecasts and plans for the next 12 months, the Directors have determined that the Group is a going concern and is able to meet its debts as and when they fall due and payable.	Our audit procedures assessed whether there was a significant uncertainty in relation to the Group's ability to continue as a going concern. The appropriateness of the going concern assumption included an evaluation of the directors assessment in relation to: — Cash flow requirements of the Group for at least twelve months from the date of this report; — Forecast expenditure committed and what could be considered discretionary; — Potential downside/upside scenarios and the resultant impact on available funding; and — A detailed review of the Group's subsequent events and material agreements, including the approval of the FEI transaction granted by the Reserve Bank of New Zealand and of an analysis of a pro-forma statement of financial position, including its reserves of available working capital, that incorporates the combined entity consisting of the Wolfstrike Group and the FEI Group post-merger.

William Buck

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the nine-months ended 31 March 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Director's for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

William Buck

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in of the directors' report for the nine-months ended 31 March 2017.

In our opinion, the Remuneration Report of WolfStrike Rentals Group Limited, for the nine months ended 31 March 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

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

N. S. Benbow
Melbourne, 31 May 2017

SHAREHOLDER INFORMATION

Additional information required by ASX and not shown elsewhere in this report is as follows. This information is current as at 25 May 2017.

Distribution of equity securities

There are 793 holders of 1,078,964,105 fully paid ordinary shares listed on the ASX. These shares carry one vote per share and carry the rights to dividends.

	Number of Holders	Ordinary shares	% of Issued Capital
1 – 1,000	257	95,155	0.01
1,001 – 5,000	75	190,113	0.01
5,001 – 10,000	22	167,014	0.02
10,001 – 100,000	207	15,864,615	1.47
100,001 - over	232	1,062,647,208	98.49
Total Shareholding	**793**	**1,078,964,105**	**100.0%**
Holding less than a marketable parcel of 2,000 shares @ $500		3,716,897	0.34

Substantial holders

Name	Shares Held	% of Issued Capital
Kingbird Ltd	164,329,000	12.58
John Philpott	98,323,944	7.53
Russell Maloney	98,323,944	7.53
Blue Water Diving Limited	94,061,408	7.20
Dancingonmoonlight Ltd	81,936,619	6.27

Top Twenty Shareholders

Name	Shares Held	% of Issued Capital
Kingbird Ltd	164,329,000	12.58
John Philpott	98,323,944	7.53
Russell Maloney	98,323,944	7.53
Blue Water Diving Limited	94,061,408	7.20
Dancingonmoonlight Ltd	81,936,619	6.27
Ecometrix Pty Ltd	62,500,000	4.79
Newquest Property Pty Ltd	58,250,111	4.46
YNWA Nominees Pty Ltd	50,000,000	3.83
Venice Trustee Ltd	45,000,000	3.45
Artemis Superannuation Ltd	40,000,000	3.06
Alpine Tern Ltd	40,000,000	3.06
Supermax Pty Ltd	31,250,000	2.39
Kingfisher Corporate Trustee Ltd	28,000,000	2.14
Travel Fund Ltd	25,000,000	1.91
Mrs Donna Jayne Anjaiya	24,681,021	1.89
Monique Harvey	22,833,875	1.75
Retirement Ltd	22,000,000	1.68
Boat Farer Ltd	22,000,000	1.68
Saint-Emillion Enterprises Pty Ltd	18,750,000	1.44
Duo Trustee Limited	18,637,324	1.43
Top 20 Holders of ordinary fully paid shares	**1,045,877,246**	**80**