THREAT PROTECT AUSTRALIA LIMITED

ABN 36 060 774 227

Appendix 4D

Half-Year Report Period

Results for announcement to the Market

Reporting Periods

Current period:	Period ended 31 December 2015
Previous corresponding period:	Period ended 31 December 2014

		Percentage Change		31 December 2015 $'000s	31 December 2014 $'000s
Revenue	Up	6.92%	to	2,725	2,549
Other Income	Up	339.61%	to	126	29
Profit/(Loss) before tax	Down	565.61%	to	(4,676)	(703)
Profit/(Loss) after tax	Down	565.61%	to	(4,676)	(703)
EBITDA	Down	919.97%	to	(4,399)	(431)

Dividends	Amount per security $	Franked amount $
Current period:		
Interim Dividend	Nil	N/A
Date the Dividend is Payable:	N/A	N/A
Record Date for determining entitlements to the Dividend:	N/A	N/A
Previous corresponding period:		
Interim Dividend	Nil	N/A

Net Tangible Assets (NTA) per Security Dividends				31 December 2015 ₵	30 June 2015 ₵
NTA backing per ordinary share	Down	79.35%	to	(0.804)	(3.894)[(a)]

[(a)] The number of shares used to calculate 30 June 2015 NTA backing per share was determined by applying the ratio as described in note 6 Earnings per share paragraph 6e to the balance of shares on hand at 30 June 2015 as stated in note 17a .

Details of entities over which control has been gained or lost during the period

Refer to note 5 Business combinations and acquisitions entities.

Commentary on Results

Commentary on the results for the reporting period can be found in the Director's Report and the condensed consolidated financial statements for the half-year ended 31 December 2015.

DEMETRIOS PYNES
Managing Director
Dated this Monday, 29 February 2016

THREAT PROTECT

ABN 36 060 774 227

(Previously known as East Africa Resources Limited)

INTERIM FINANCIAL REPORT

for the half-year ended 31 December 2015

The information contained in this condensed report is to be read in conjunction with Threat Protect Australia Limited's 2015 annual report and announcements to the market by Threat Protect Australia Limited during the half-year period ending 31 December 2015

Corporate directory

Current Directors

Derek La Ferla	*Non-Executive Chairman*	Appointed 3 September 2015
Demetrios Pynes	*Managing Director*	Appointed 3 September 2015
Paolo "Paul" Ferrara	*Executive Director*	Appointed 3 September 2015
Ian Olson	*Non-executive Director*	Appointed 23 October 2015

Company Secretary

Jay Stephenson

Registered Office

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Email: info@threatprotect.com.au
Website: www.threatprotect.com.au

Securities Exchange

Australian Securities Exchange
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Perth WA 6000
Telephone: 131 ASX (131 279) (within Australia)
Telephone: +61 (0)2 9338 0000
Facsimile: +61 (0)2 9227 0885
Website: www.asx.com.au
ASX Code: TPS

Corporate Adviser

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Telephone: +61 8 6141 3500
Facsimile: +61 2 9227 0885
Website: www.wolfstargroup.com.au

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Telephone: 1300 THREAT (1300 847 328)
Facsimile: +61 (0)8 9322 9711

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
PERTH WA 6000
Telephone: 1300 850 505 (investors within Australia)
Telephone: +61 (0)3 9415 4000
Email: web.queries@computershare.com.au
Website: www.investorcentre.com

Auditors

Bentleys
London House
Level 3, 216 St Georges Terrace
Perth WA 6000
Telephone: +61 (0)8 9226 4500
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Website: www.bentleys.com.au

Contents

- Directors' report ... 1
- Auditor's independence declaration ... 3
- Condensed consolidated statement of profit or loss and other comprehensive income ... 4
- Condensed consolidated statement of financial position ... 5
- Condensed consolidated statement of changes in equity ... 6
- Condensed consolidated statement of cash flows ... 7
- Notes to the consolidated financial statements ... 8
- Directors' declaration ... 29
- Independent auditor's review report ... 30

Directors' report

Your directors present their report on the consolidated entity, consisting of Threat Protect Australia Limited (**Threat Protect** or **the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2015.

1. Directors

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

Derek La Ferla	Non-executive Chairman *(Appointed 3 September 2015)*
Demetrios Pynes	Managing Director *(Appointed 3 September 2015)*
Paolo (Paul) Ferrara	Executive Director *(Appointed 3 September 2015)*
Ian Olson	Non-executive Director *(Appointed 23 October 2015)*
Katina Law	Non-executive Director *(Resigned 7 October 2015)*
Robert Kirtlan	Non-executive Chairman *(Resigned 3 September 2015)*
Michael Richard Griffiths	Non-executive Director *(Resigned 3 September 2015)*

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

2. Operating and financial review

2.1. Operations Review

During the half-year ended 31 December 2015, the Company completed the reverse acquisition of Threat Protect Group Pty Ltd (as described in note 5a). As a result of the transaction the Company changed its nature and scale, becoming a provider of security, monitoring and risk management solutions.

Threat Protect's strategy is to generate growth for shareholders by leveraging its existing fixed cost infrastructure, namely its security control room, by expanding the number of clients it services. The facility is graded A1 which is the highest possible grade and has capacity for significant growth in clientele. This means acquisitions lead to improved services for the new clients and economies of scale to Threat Protect.

As part of the reverse acquisition, the Company successful completed a re-compliance capital raising of $5,500,000 before costs, issuing 368,198,180 shares.

In conjunction with the reverse acquisition, Threat Protect completed the acquisition and integration of Monitoring Excellence and Hillstone Security Monitoring taking advantage of existing economies of scale within the Threat Protect operations. These acquisitions have been earnings accretive since 1 October 2015 and were integrated on time and on budget.

As part of transaction, the Group settled $1,223,065 in liabilities through the issue of 68,800,156 shares.

Following twelve months of development, Threat Protect announced the launch of Safe Haven; a mobile phone/tablet based personal duress application that leverages the existing fixed cost infrastructure of the secure control room. Safe Haven is attracting new clients to Threat Protect as well as increasing income streams from existing clients with minimal expense.

2.2. Financial Review

a. Operating results

The Group delivered a 31 December 2015 loss before tax of $4,676,095 (Dec 2014: $702,523 loss), representing a decline in profitability.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. Details of the Company's assessment in this regard can be found in Note 1 Statement of significant accounting policies: Going Concern on page 8.

b. Financial position

The net assets of the Group have increased from 30 June 2015 by $4,854,312 to $(1,570,797) at 31 December 2015 (June 2015: $(6,425,109)).

As at 31 December 2015, the Group's cash and cash equivalents increased from 30 June 2015 by $132,800 to $184,138 at 31 December 2015 (June 2015: $51,338) and had a working capital deficit of $5,250,521 (June 2015: $(6,652,299) working capital deficit).

Directors' report

2.3. Events Subsequent to Reporting Date

There are no other significant after balance date events that are not covered in this Directors' Report or within the financial statements at note 22 Events subsequent to reporting date on page 28.

2.4. Future Developments, Prospects and Business Strategies

Likely developments, future prospects and business strategies of the operations of the Group and the expected results of those operations have not been included in this report as the Directors believe that the inclusion of such information would be likely to result in unreasonable prejudice to the Group.

3. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001* (Cth) for the half-year ended 31 December 2015 has been received and can be found on page 3 of the Interim Financial Report.

DEMETRIOS PYNES
Managing Director
Dated this Monday, 29 February 2016

Bentleys
THINKING AHEAD

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To the Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the review of the financial statements of Threat Protect Australia Limited for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

BENTLEYS **Chartered Accountants**	**MARK DELAURENTIS CA** **Director**

Dated at Perth this 29th day of February 2016

Condensed consolidated statement of profit or loss and other comprehensive income

for half-year ended 31 December 2015

	Note	31 December 2015 $	31 December 2014 $
Continuing operations			
Revenue	3	2,725,073	2,548,631
Other income	3	126,471	28,769
		2,851,544	2,577,400
Costs of sales		(2,168,337)	(1,982,443)
		683,207	594,957
Administrative expenses		(80,410)	(141,803)
Business acquisition and integration costs		(493,335)	(55,389)
Compliance and regulatory costs		(268,504)	(74,198)
Depreciation and amortisation	4	(79,472)	(43,179)
Employment costs	4	(602,855)	(501,744)
Finance costs		(227,064)	(232,737)
Impairment recovery / (expense)	1n.ii	29,812	4,718
Legal and consulting fees		(47,339)	(90,295)
Marketing and business development		(64,272)	(4,993)
Occupancy costs		(134,870)	(157,860)
Share-based payments		(983,549)	-
Corporate transaction accounting expense	5a.iii	(2,407,444)	-
Loss before tax		(4,676,095)	(702,523)
Income tax benefit / (expense)		-	-
Net (loss) / profit for the half-year		(4,676,095)	(702,523)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:		-	-
Items that may be reclassified subsequently to profit or loss:		-	-
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income attributable to members of the parent entity		(4,676,095)	(702,523)
Earnings per share:		¢	¢
Basic and diluted loss per share (cents per share)	6	(1.04)	(0.45)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of financial position
as at 31 December 2015

	Note	31 December 2015 $	30 June 2015 $
Current assets			
Cash and cash equivalents	7	184,138	51,338
Trade and other receivables	8	991,729	407,943
Inventories		-	3,982
Other current assets	9	123,680	45,301
Current tax asset		5,396	-
Financial assets	10	25,232	305,172
Total current assets		1,330,175	813,736
Non-current assets			
Plant and equipment	12	429,145	246,799
Intangible assets	13	3,270,188	-
Total non-current assets		3,699,333	246,799
Total assets		5,029,508	1,060,535
Current liabilities			
Trade and other payables	14	3,455,967	2,772,405
Short-term provisions	16	895,395	815,058
Borrowings	15	2,229,334	3,878,572
Total current liabilities		6,580,696	7,466,035
Non-current liabilities			
Borrowings	15	19,609	19,609
Total non-current liabilities		19,609	19,609
Total liabilities		6,600,305	7,485,644
Net assets deficiency		(1,570,797)	(6,425,109)
Equity			
Issued capital	17	9,894,161	1,347,303
Reserves	18	983,549	-
Accumulated losses		(12,448,507)	(7,772,412)
Total equity		(1,570,797)	(6,425,109)

The condensed consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2015

	Note	Issued Capital $	Accumulated Losses $	Option Reserve $	Foreign Currency Translation Reserve $	Total $
Balance at 1 July 2014		1,111,339	(5,406,803)	-	-	(4,295,464)
Loss for the half-year attributable owners of the parent		-	(702,523)	-	-	(702,523)
Other comprehensive income for the half-year attributable owners of the parent		-	-	-	-	-
Total comprehensive income for the half-year attributable owners of the parent		-	(702,523)	-	-	(702,523)
Transaction with owners, directly in equity						
Shares issued during the half-year		235,964	-	-	-	235,964
Balance at 31 December 2014		1,347,303	(6,109,326)	-	-	(4,762,023)
Balance at 1 July 2015		1,347,303	(7,772,412)	-	-	(6,425,109)
Loss for the half-year attributable owners of the parent		-	(4,676,095)		-	(4,676,095)
Other comprehensive income for the half-year attributable owners of the parent		-		-	-	-
Total comprehensive income for the half-year attributable owners of the parent		-	(4,676,095)	-	-	(4,676,095)
Transaction with owners, directly in equity						
Shares issued during the half-year	17a	8,587,029	-	-	-	8,587,029
Transaction costs		(40,171)	-	-	-	(40,171)
Options issued during the period		-	-	983,549	-	983,549
Balance at December 2015		9,894,161	(12,448,507)	983,549	-	(1,570,797)

The condensed consolidated statement of changes in equity is to be read in conjunction with the accompanying notes

Condensed consolidated statement of cash flows
for the half-year ended 31 December 2015

	Note	31 December 2015 $	31 December 2014 $
Cash flows from operating activities			
Receipts from customers		2,900,426	2,840,085
Interest received		2,508	-
Interest and borrowing costs paid		(136,164)	(178,483)
Payments to suppliers and employees		(3,734,113)	(3,460,436)
Net cash used in operating activities		(967,343)	(798,834)
Cash flows from investing activities			
Purchase of subsidiary, net of cash acquired		2,411,161	-
Purchase of intangible assets		(612,767)	-
Proceeds from disposal of plant and equipment		36,081	-
Purchase of plant and equipment		(30,131)	(2,183)
Net cash used in investing activities		1,804,344	(2,183)
Cash flows from financing activities			
Net proceeds from issue of shares		-	235,964
Payment made in respect to issue of shares		(40,171)	
(Repayment of) / Proceeds from borrowings		(664,030)	637,568
Net cash provided by financing activities		(704,201)	873,532
Net increase in cash held		132,800	72,515
Cash and cash equivalents at the beginning of the half-year		51,338	(2,249)
Cash and cash equivalents at the end of the half-year		184,138	70,266

The condensed consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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Notes to the consolidated financial statements

for the half-year ended 31 December 2015

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Note 1 Statement of significant accounting policies

These are the condensed consolidated financial statements and notes of Threat Protect Australia Limited (**Threat Protect** or **the Company**) and controlled entities (collectively **the Group**). Threat Protect is a company limited by shares, domiciled and incorporated in Australia.

The financial statements were authorised for issue on 29 February 2016 by the directors of the Company.

a. Basis of preparation

This interim financial report is intended to provide users with an update on the latest annual financial statements of Threat Protect Limited and controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the half-year.

i. Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

ii. Going Concern

The condensed consolidated financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss for the half-year of $4,676,095 (December 2014: $702,523 loss) and net operating cash out-flows of $967,343 (December 2014: $798,834 out-flows). The net assets of the Group have increased from 30 June 2015 by $4,854,312 to a net asset deficiency of $(1,570,797) at 31 December 2015 (June 2015: $(6,425,109) net asset deficiency). As at 31 December 2015, the Group's cash and cash equivalents increased from 30 June 2015 by $132,800 to $184,138 at 31 December 2015 (June 2015: $51,338) and had a working capital deficit of $5,250,521 (June 2015: $(6,652,299) working capital deficit).

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern however the Directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. The Directors believe it is appropriate to prepare these accounts on a going concern basis because the Group:

- has successfully raised $3,086,700 from the issue of 102,899,995 ordinary shares at $0.03 per share in February 2016 as described in note 22 Events subsequent to reporting date.;
- has obtained confirmation from $2,020,535 of its total borrowings outstanding as at 31 December 2015, that repayment of these loans will be deferred for a period of at least twelve months from the date of this financial report as referred to in note 15c;
- has entered into an agreement to acquire Australian Event Protection and Integral Risk Group, which is anticipated to contribute positive earnings to the group as disclosed in note 22;
- expects to start generating positive operating cash flows for the next 12 month periods from existing businesses; and
- will also look to launch across both its existing customer base and to the wider public, a threat protect monitored 24 hour remote back to base monitoring Smart App. This is expected to generate a new revenue line within the business.

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the consolidating entity generating consistent profits during the next 12 months from existing operations and from new acquisitions, and if required raising additional capital to meet any shortfall should the consolidated entity require it. Should the Group not achieve these results or be unable to raise additional capital, there is material uncertainty whether the consolidated entity would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

Notes to the consolidated financial statements
for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

iii. Reverse acquisition

Threat Protect (formerly East Africa Resources Limited) is listed on the Australian Securities Exchange. The Company completed the legal acquisition of Threat Protect Group Pty Ltd (**TPG**) on 4 September 2015.

TPG (the legal subsidiary) was deemed to be the acquirer for accounting purposes as it has obtained control over the operations of the legal acquirer Threat Protect (accounting subsidiary). Accordingly, the consolidated financial statements of Threat Protect have been prepared as a continuation of the financial statements of TPG. TPG (as the deemed acquirer) has accounted for the acquisition of Threat Protect from 4 September 2015. The comparative information presented in the consolidated financial statements is that of TPG.

The impact of the reverse acquisition on each of the primary statements is as follows:

- The condensed consolidated statement of comprehensive income:
  - for the half-year to 31 December 2015 comprises six months of TPG and four months of Threat Protect ; and
  - for the comparative period comprises 1 July 2014 to 31 December 2014 of TPG.
- The condensed consolidated statement of financial position:
  - as at 31 December 2015 represents both TPG and Threat Protect as at that date ;and
  - as at 30 June 2015 represents TPG as at that date.
- The condensed consolidated statement of changes in equity:
  - for the half-year ended 31 December 2015 comprises TPG's balance at 1 July 2015, its loss for the half-year and transactions with equity holders for six months. It also comprises Threat Protect transactions within equity for the four months ended 31 December 2015 and the equity value of TPG and Threat Protect at 31 December 2015. The number of shares on issue at the end of the half-year represent those of Threat Protect only.
  - for the comparative period comprises 1 July 2014 to 31 December 2014 of TPG's changes in equity.
- The condensed consolidated statement of cash flows:
  - for the half-year ended 31 December 2015 comprises the cash balance of TPG, as at 1 July 2014, the cash transactions for the six months (twelve months of TPG and the period from 4 September 2015 to 31 December of Threat Protect) and the cash balances of TPG and Threat Protect as at 31 December 2015.
  - for the comparative period comprises 1 July 2014 to 31 December 2014 of TPG.

iv. Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Judgements made by management in the application of AASBs that have significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1n.

b. Principles of consolidation

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

i. Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to variable returns from another entity and has the ability to affect those returns through its power over the entity.

Notes to the consolidated financial statements

for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquire; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree;

less

- the net recognised amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

A list of controlled entities is contained in Note 11 Controlled Entities on page 22 of the financial statements.

iii. Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, than such interest is measured at fair value at the date control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

iv. Transactions eliminated on consolidation

All intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

c. Income tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Notes to the consolidated financial statements
for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Inventories

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

e. Property, plant, and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation (see below) and impairment losses (see note 1j Impairment of non-financial assets).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

ii. Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as an expense as incurred.

iii. Depreciation

With the exception of exploration and evaluation assets, depreciation is charged to the income statement on a diminishing value basis over the estimated useful lives of each part of an item of property, plant and equipment, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

Depreciation rates and methods are reviewed annually for appropriateness. The depreciation rates used for the current and comparative period are:

	31 December 2015 %	30 June 2015 %
Information technology	10.00 – 50.00	10.00 – 50.00
Motor vehicles	12.50 – 33.33	12.50 – 33.33
Office equipment	6.67 – 25.00	6.67 – 25.00
Plant and equipment	10.00 – 50.00	10.00 – 50.00
Control room	7.80 – 26.40	7.80 – 26.40

Notes to the consolidated financial statements
for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

f. Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Customer contract intangible assets are amortised on a straight-line basis over the period of their expected benefit, being their expected life of six years.

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of four years.

Intangible assets' residual values and useful lives are under a process of continual review by the Board, and adjusted if appropriate, at the end of each reporting period.

g. Employee benefits

i. Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions onto a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

ii. Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to the reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

iii. Other long-term benefits

The Group's obligation in respect of long-term employee benefits other than definite benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the Reserve Bank of Australia's cash rate at the report date that have maturity dates approximating the terms of the Company's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

h. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised in the income statement on a straight-line basis over the term of the lease.

Notes to the consolidated financial statements
for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

i. Financial instruments

i. Initial recognition and measurement

A financial instrument is recognised if the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the Group's obligations specified on the contract expire or are discharged or cancelled.

ii. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transactions costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

iii. Classification and Subsequent Measurement

(1) *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of nine (9) months or less, and bank overdrafts. Bank overdrafts are shown within short-borrowings in current liabilities on the Statement of financial position.

(2) *Loans*

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period.

(3) *Trade and other receivables*

Trade and other receivables are stated at amortised cost. Receivables are usually settled within 60 days.

Collectability of trade and other debtors is reviewed on an ongoing basis. An impairment loss is recognised for debts which are known to be uncollectible. An impairment provision is raised for any doubtful amounts.

(4) *Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and stated at their amortised cost. The amounts are unsecured and are generally settled on 30 day terms.

(5) *Share capital*

Ordinary issued capital is recorded at the consideration received. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit. Ordinary issued capital bears no special terms or conditions affecting income or capital entitlements of the shareholders.

iv. Amortised cost

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

v. Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Notes to the consolidated financial statements
for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

vi. Effective interest method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

vii. Impairment

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the income statement.

viii. Derecognition

Financial assets are derecognised where the contractual rights to cash flow expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

ix. Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Financial expenses comprise interest expense on borrowings calculated using the effective interest method, unwinding of discounts on provisions, changes in the fair value of financial assets at fair value through profit or loss and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

Foreign currency gains and losses are reported on a net basis.

j. Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement, unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

Notes to the consolidated financial statements
for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

k. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

l. Revenue and other income

Interest revenue is recognised in accordance with note 1i.ix Finance income and expenses.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances. Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or there is a risk of return of goods or there is continuing management involvement with the goods.

All revenue is stated net of the amount of value added taxes (note 1m Goods and Services Tax).

m. Goods and Services Tax

Goods and Services Tax (**GST**) is the term for the broad-based consumption taxes that the Group is exposed in Australia.

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the balance sheet.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n. Critical Accounting Estimates and Judgments

The following critical estimates and judgements have been employed in the preparation of the 30 June 2015 financial report:

i. Key judgements and estimates – Business Combinations

Refer note 5 Business combinations on page 18.

ii. Key estimate: Impairment

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. As a result of this review, the Group has determined that no material impairment was required.

iii. Key estimate: Taxation

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income taxation legislation, and the directors understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents that directors' best estimate, pending an assessment by the Australian Taxation Office.

Notes to the consolidated financial statements
for the half-year ended 31 December 2015

Note 1 Statement of significant accounting policies

o. New or revised standards and interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (**the AASB**) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*

The adoption of the above standards has not had a material impact on this half-year financial report.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 2 Company details

a. Registered office:

Street:	Suite 12, Level 1, 11 Ventnor Avenue
	WEST PERTH WA 6005
Postal:	PO Box 52
	WEST PERTH WA 6872
Telephone:	+61 (0)8 6141 3500
Facsimile:	+61 (0)8 6141 3599
Email:	info@threatprotect.com.au

b. Principal place of business:

Street:	Unit 1/8 Fisher Street
	Belmont WA 6104
Postal:	PO Box 561
	Belmont WA 6984 Australia
Telephone:	1300 THREAT (1300 847 328)
Facsimile:	+61 (0)8 9322 9711
Website:	www.threatprotect.com.au

Note 3 Revenue and other income

	31 December 2015 $	31 December 2014 $
a. Revenue		
Sales revenue	2,722,565	2,548,631
Interest	2,508	-
	2,725,073	2,548,631
b. Other Income		
Gain on sale of property, plant, and equipment	36,081	-
Supplier bonuses	50,890	-
Other	39,500	28,769
	126,471	28,769

Note 4 Loss before income tax

	31 December 2015 $	31 December 2014 $
The following significant revenue and expense items are relevant in explaining the financial performance:		
a. Depreciation and amortisation:		
Depreciation and amortisation of plant and equipment	51,822	43,179
Amortisation of intangibles	27,650	-
	79,472	43,179
b. Employment costs:		
Non-executive directors' remuneration	21,971	-
Increase / (decrease) in employee benefits provisions	1,115	22,469
Superannuation expenses	47,624	36,878
Wages and salaries	488,130	405,005
Other employment related costs	44,015	37,392
	602,855	501,744

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 5 Business combinations and acquisitions entities

a. Threat Protect Australia Limited

On 4 September 2015, Threat Protect Australia Limited (formerly East Africa Resources Limited)(**Threat Protect**), acquired 100% of the ordinary share capital and voting rights in Threat Protect Group Pty Ltd (**TPG**) as detailed in the prospectus and supplementary prospectus announced by the Company.

Under AASB 3 *Business Combinations* (**AASB 3**) this is treated as a 'reverse acquisition', whereby the accounting acquirer is deemed to be TPG and Threat Protect is deemed to be the accounting acquiree. Refer to the effect upon the basis of preparation at note 1a.iii Reverse acquisition on page 9.

i. Acquisition consideration

As consideration for the issued capital of TPG, Threat Protect issued 165,000,000 shares to the shareholders of Threat Protect at $0.02 for a total consideration of $3,300,000. No cash was paid as part of the acquisition consideration

ii. Fair value of consideration transferred

Under the principles of AASB 3, the transaction between Threat Protect and TPG is treated as a reverse acquisition. As such, the assets and liabilities of the legal subsidiary (the accounting acquirer), being TPG, are measured at their pre-combination carrying amounts. The assets and liabilities of the legal parent (accounting acquiree), being Threat Protect are measured at fair value on the date of acquisition.

The consideration in a reverse acquisition is deemed to have been incurred by the legal subsidiary (TPG) in the form of equity instruments issued to the shareholders of the legal parent entity (Threat Protect). The acquisition-date fair value of the consideration transferred has been determined by reference to the fair value of the number of shares the legal subsidiary (TPG) would have issued to the legal parent entity Threat Protect to obtain the same ownership interest in the combined entity.

iii. Goodwill (Corporate transaction accounting expense)

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the legal parent, being Threat Protect. Details of the transaction are as follows:

	Fair value $
Fair value of consideration transferred	7,363,964
Fair value of assets and liabilities held at acquisition date:	
Cash	5,189,003
Trade and other receivables	27,075
Trade and other payables	(259,558)
Fair value of identifiable assets and liabilities assumed	4,956,520
Goodwill (Corporate transaction accounting expense)	2,407,444

The goodwill calculated above represents goodwill in Threat Protect; however this has not been recognised. Instead the deemed fair value of the interest in TPG issued to existing Threat Protect shareholders to effect the combination (the consideration for the acquisition of the public shell company) was recognised as an expense in the income statement. This expense has been presented as a "Corporate transaction accounting expense" on the face of the consolidated statement profit or loss and comprehensive income.

b. Chipla Holdings Pty Ltd

On 1 October 2015, Threat Protect Group Pty Ltd (**TPG**) acquired 100% of the ordinary share capital and voting rights in Chipla Holdings Pty Ltd (**Monitoring Excellence**), contemporaneously with the reverse acquisition noted at 1a.iii Reverse acquisition on page 9.

i. Acquisition consideration

Consideration exchanged (being cash consideration comprising an option fee of $279,940 and $2,520,000 in cash).

ii. Goodwill (Provisionally calculated)

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of the acquired. Details of the transaction are as follows:

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2015

Note 5 Business combinations (cont.)

	Provisional Fair value $
Fair value of consideration transferred	2,799,940
Carrying value of assets and liabilities held at acquisition date:	
Cash and cash equivalents	22,098
Trade and other receivables	274,917
Inventory	8,967
Property, plant, and equipment	52,286
Trade and other payables	(179,887)
Provisions	(63,512)
Carrying value assets and liabilities assumed	114,869
Goodwill (provisionally calculated)	2,685,071

Note 6 Earnings per share (EPS)

	Note	31 December 2015 $	31 December 2014 $
a. Reconciliation of earnings to profit or loss			
(Loss) / profit for the half-year		(4,676,095)	(702,523)
			-
(Loss) / profit used in the calculation of basic and diluted EPS		(4,676,095)	(702,523)

	Note	31 December 2015 No.	31 December 2014 No.
b. Weighted average number of ordinary shares outstanding during the half-year used in calculation of basic EPS	6e	451,353,861	154,617,872

	Note	31 December 2015 $	31 December 2014 $
c. Earnings per share			
Basic and diluted EPS (cents per share)	6d	(1.04)	(0.45)

d. At the end of the half-year ended 31 December 2015, the Group has 145,900,000 unissued shares under options (Dec 2014: nil). The Group does not report diluted earnings per share on annual losses generated by the Group. During half-year ended 31 December 2015 the Group's unissued shares under option were anti-dilutive.

e. As noted in 1a.iii, the equity structure in these consolidated financial statements following the reverse acquisition reflects the equity structure of Threat Protect, being the legal acquirer (the accounting acquiree), including the equity interests issued by Threat Protect to effect the business combination.

i. In calculating the weighted average number of ordinary shares outstanding (the denominator of the EPS calculation) for the half-year ended 31 December 2015 the number of ordinary shares outstanding for the half-year ended 31 December 2015 shall be the actual number of ordinary shares of Threat Protect outstanding during that period.

ii. The basic EPS for the half-year ended 31 December 2014 shall be calculated by dividing:

(1) the profit or loss of the TPG attributable to ordinary shareholders in each of those periods by

(2) the TPG's historical weighted average number of ordinary shares outstanding multiplied by the exchange ratio established in the acquisition agreement.

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2015

Note 7 Cash and cash equivalents

	31 December 2015 $	30 June 2015 $
Cash at bank	184,138	51,338
	184,138	51,338

a. Credit standby facilities

The Group has no credit standby facilities.

b. Non-cash investing and financing activities

i. The Group acquired a plant and equipment utilising equipment finance. For the period this resulted in a non-cash increase in borrowings and plant and equipment of $151,750.

ii. In conjunction with acquisition described in note 5a, the Group settled liabilities to the value of $1,223,065 through the issue of capital, increasing share capital by the same amount.

c. Acquisition of entities

	Note	31 December 2015 $
i. Threat Protect Australia Limited (**Threat Protect**)		
On 4 September 2015, Threat Protect acquired 100% of the ordinary share capital and voting rights in Threat Protect Group Pty Ltd (**TPG**) as described in note 5a:		
(1) *Purchase consideration:*		
Theoretical equity consideration issued under a reverse acquisition	5a.iii	7,363,964
Total consideration		7,363,964
(2) *Cash acquired:*		
Cash held by Threat Protect at date of acquisition	5a.iii	5,189,003
Cash in-flow on acquisition		5,189,003
(3) *Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flows:*		
Trade and other receivables	5a.iii	27,075
Trade and other payables	5a.iii	(259,559)

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2015

Note 7 Cash and cash equivalents (cont.)

	Note	2015 $
ii. Chipla Holdings (MONITORING EXCELLENCE)		
On 1 October 2015, Threat Protect Group Pty Ltd (**TPG**) acquired 100% of the ordinary share capital and voting rights in Chipla Holdings Pty Ltd (**Monitoring Excellence**):		
(1) *Purchase consideration:*		
Consideration exchanged	5b.ii	2,799,940
Total consideration		2,799,940
(2) *Cash acquired:*		
Cash held by Monitoring Excellence at date of acquisition		22,098
Cash in-flow on acquisition		22,098
(3) *Assets and liabilities held at acquisition date (excluding cash) excluded from the consolidated statement of cash flows:*		
Trade and other receivables	5b.ii	274,917
Inventory	5b.ii	8,967
Property, plant, and equipment	5b.ii	52,286
Goodwill (provisionally calculated)	5b.ii	2,685,071
Trade and other payables	5b.ii	(179,887)
Provisions	5b.ii	(63,512)

Note 8 Trade and other receivables

	31 December 2015 $	30 June 2015 $
Current		
Trade receivables	860,058	341,978
Less: provision for impairment	(6,107)	(11,627)
Accrued income receivable	52,870	47,592
Loans to other parties	30,000	30,000
Goods and Services Tax receivable	54,908	-
	991,729	407,943

Note 9 Other assets

	31 December 2015 $	30 June 2015 $
Current		
Prepayments	123,680	45,301
	123,680	45,301

Notes to the condensed consolidated financial statements

for the half-year ended 31 December 2015

Note 10 Financial assets

	Note	31 December 2015 $	30 June 2015 $
Current			
Rental security bond		25,232	25,232
Option fee – Business acquisition	10a	-	279,940
		25,232	305,172

a. During the half-year ended 31 December 2015, the options fees reported at 30 June 2015 were applied to cost of Monitoring Excellence as noted in note 5b.i and the intangible assets described in note 13a.

Note 11 Controlled entities

a. Legal parent entity

Threat Protect Australia Limited is the ultimate parent of the Group (refer to note 1a.iii).

i. Legal subsidiaries

	Country of Incorporation	Class of Shares	Percentage Owned 31 December 2015	Percentage Owned 30 June 2015
Threat Protect Group Pty Ltd	Australia	Ordinary	100.0%	-
Aust East Africa Mining Ltd	Tanzania	Ordinary	100.0%	100.0%
AVMC (Aust) Pty Ltd	Australia	Ordinary	100.0%	-
Chipla Holdings Pty Ltd	Australia	Ordinary	100.0%	-
EAF Resources Rwanda Ltd	Rwanda	Ordinary	100.0%	100.0%
Frontier Resources Ltd	Tanzania	Ordinary	100.0%	100.0%
Goldfields Commercial Security Pty Ltd	Australia	Ordinary	100.0%	-
Savanna Mineral Resources Pty Ltd	Australia	Ordinary	100.0%	100.0%
Sterling Resources Ltd	Tanzania	Ordinary	100.0%	100.0%
Tanganyika Uranium Corp	Canada	Ordinary	100.0%	100.0%
TZU Resources Pty Ltd	Australia	Ordinary	100.0%	100.0%
VIP Security Industries Pty Ltd	Australia	Ordinary	100.0%	-

b. Account parent entity

Threat Protect Group Pty Ltd is the accounting parent of the Group (refer to note 1a.iii).

i. Accounting subsidiaries

	Country of Incorporation	Class of Shares	Percentage Controlled 31 December 2015	Percentage Controlled 30 June 2015
Threat Protect Australia Ltd	Australia	Ordinary	100.0%	-
Aust East Africa Mining Ltd	Tanzania	Ordinary	100.0%	-
AVMC (Aust) Pty Ltd	Australia	Ordinary	100.0%	100.0%
Chipla Holdings Pty Ltd	Australia	Ordinary	100.0%	-
EAF Resources Rwanda Ltd	Rwanda	Ordinary	100.0%	-
Frontier Resources Ltd	Tanzania	Ordinary	100.0%	-
Goldfields Commercial Security Pty Ltd	Australia	Ordinary	100.0%	100.0%
Savanna Mineral Resources Pty Ltd	Australia	Ordinary	100.0%	-
Sterling Resources Ltd	Tanzania	Ordinary	100.0%	-
Tanganyika Uranium Corp	Canada	Ordinary	100.0%	-
TZU Resources Pty Ltd	Australia	Ordinary	100.0%	-
VIP Security Industries Pty Ltd	Australia	Ordinary	100.0%	100.0%

c. Investments in subsidiaries are accounted for at cost.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 12 Property, plant, and equipment

	31 December 2015 $	30 June 2015 $
Non-current		
Information technology	203,685	201,284
Accumulated depreciation	(191,373)	(187,855)
	12,312	13,429
Control room	428,218	258,750
Accumulated depreciation	(182,016)	(151,554)
	246,202	107,196
Motor vehicles	141,865	157,908
Accumulated depreciation	(59,347)	(59,670)
	82,518	98,238
Office furniture and equipment	49,817	47,752
Accumulated depreciation	(43,134)	(42,369)
	6,683	5,383
Plant and equipment	134,016	77,194
Accumulated depreciation	(62,102)	(54,641)
	71,914	22,553
Leasehold improvements	9,596	-
Accumulated amortisation	(80)	-
	9,516	-
Total property, plant, and equipment	429,145	246,799

Note 13 Intangible assets

		31 December 2015 $	30 June 2015 $
Non-current			
Customer related intangibles – Customer security service contracts	13a	1,400,208	828,000
Accumulated impairment		(828,000)	(828,000)
Accumulated amortisation		(23,842)	-
		548,366	-
Development costs – Software		36,671	-
Accumulated amortisation		(3,808)	-
		32,863	-
Intellectual property		3,888	-
Provisional goodwill	5b.ii	2,685,071	-
		3,270,188	-

a. On 4 September 2015, the Group acquired the customer contracts of a Perth security services provider. The contracts were recognised at cost being the value of the consideration paid ($572,208) and been accounted for in accordance with note 1f.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 14 Trade and other payables

	31 December 2015 $	30 June 2015 $
Current		
Unsecured		
Trade payables	978,365	345,847
Accrued expenses	157,255	356,067
Interest payable	273,494	214,436
ATO liabilities	1,612,453	1,128,555
Payroll tax liabilities	167,270	245,244
Superannuation payable	219,582	474,206
Other payables	8,116	8,050
Revenue in advance	39,432	-
	3,455,967	2,772,405

Note 15 Borrowings

		31 December 2015 $	30 June 2015 $
Current			
Hire purchase and finance lease arrangements	15b	206,735	79,197
Less: unexpired interest		(30,630)	(5,368)
Short-term borrowings	15a	32,694	40,774
Loans	15c	2,020,535	2,320,535
Convertible note		-	590,000
Director loans		-	294,958
Vendor finance		-	558,476
		2,229,334	3,878,572
Non-current			
Related entity loans		19,609	19,609
		19,609	19,609

a. Short-term borrowings comprise premium funding for insurance policies, repayable within 12 months.

b. Loans are secured over the general property of the Group, or in the case of hire purchase and finance lease arrangements, the equipment to which the borrowing relates.

c. Short term loans comprise three facilities on the following terms and conditions:

Lender	Security	Interest rate and type	Loan balance 31 December 2015 $	Loan balance 30 June 2015 $
Cape Equity Pty Ltd	General property of the Group	15% pa - simple	587,500	587,500
Quicksilver Asset Pty Ltd	General property of the Group	15% pa - simple	975,000	1,125,000
Siren Nominees Pty Ltd	Nil	12% pa - simple	458,035	608,035
			2,020,535	2,320,535

d. The Group has received confirmation from the lenders listed at 15c of the following:
   i. There are no penalty rates being enforced on any late payments in respect to the loans;
   ii. There are no default clauses being enforced in respect in respect to the loans; and
   iii. The loans listed at 15c will not be called within twelve months of signing the financial report, and there are no loan covenant conditions attached to these loans.

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 16 Short-term provisions

	31 December 2015 $	30 June 2015 $
Current		
Employee benefits	331,377	385,865
Provision for fines and penalty on outstanding superannuation contributions	564,018	429,193
	895,395	815,058

Note 17 Issued capital

Note	31 December 2015 No.	30 June 2015 No.	31 December 2015 $	30 June 2015 $
Fully paid ordinary shares at no par value	601,998,346	17,554	9,894,161	1,347,303
	6 months to 31 December 2015 No.	12 months to 30 June 2015 No.	6 months to 31 December 2015 $	12 months to 30 June 2015 $
a. Ordinary shares				
At the beginning of the period	17,554	10,000	1,347,303	1,111,339
Shares issued during the period:				
Issue of shares	-	7,554	-	235,964
Balance before reverse acquisition	*17,554*	-	*1,347,303*	-
Elimination of existing legal acquiree (TPG) shares	(17,544)	-	-	-
Shares of legal acquirer (Threat Protect) at acquisition date	368,198,180	-	-	-
Issue of shares to TPG vendors	165,000,000	-	7,363,964	-
Settlement of accrued liabilities	15,565,653	-	311,313	-
Part settlement of borrowings	15,000,000	-	300,000	-
Conversion of notes	38,234,503	-	611,752	-
Transaction costs relating to share issues	-	-	(40,171)	-
At reporting date	601,998,346	17,554	9,894,161	1,347,303

b. Options

	31 December 2015 No.	30 June 2015 No.
Unlisted options	145,900,000	-
	6 months to 31 December 2015 No.	12 months to 30 June 2015 No.
At the beginning of the period	-	-
Options of legal acquirer (TPG) at acquisition date	3,600,000	
Consolidation of options on issue under reverse acquisition	(2,700,000)	
Consultant and adviser options *(Exp. 4.9.18; Ex Price 2.5 cents)*	100,000,000	-
Non-executive director options *(Exp. 31.10.20; Ex Price 4.85 cents) at a fair value of $323,501*	15,000,000	-
Tranche 1 Executive Director options *(Exp. 31.10.20; Ex Price 3.8 cents) at a fair value of $229,579*	10,000,000	-
Tranche 2 Executive Director options *(Exp. 31.10.20; Ex Price 4.67 cents) at a fair value of $217,842*	10,000,000	-
Tranche 3 Executive Director options *(Exp. 31.10.20; Ex Price 5.11 cents) at a fair value of $212,627*	10,000,000	-
At reporting date	145,900,000	-

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 18 Reserves

	Note	31 December 2015 $	30 June 2015 $
Option reserve		983,549	-
		983,549	-

Note 19 Operating segments

a. Segment Performance

Half-Year ended 31 December 2015	Monitoring $	Guarding $	Services $	Total $
Revenue				
Revenue	1,308,454	1,211,725	330,938	2,851,117
Total segment revenue	1,308,454	1,211,725	330,938	2,851,117
Reconciliation of segment to group revenue				
Interest				2,508
Intra-segment income and expense				(128,552)
Other income				126,471
Total group revenue and other income				2,851,544
Segment net loss from continuing operations before tax	441,878	180,513	(22,310)	600,081
Reconciliation of segment loss to group loss				
Intra-segment income and expense				(45,853)
(i) Amounts not included in segment results but reviewed by Board:				
Other income				126,471
Administrative expenses				(80,410)
Business acquisition and integration costs				(493,335)
Compliance and regulatory costs				(268,504)
Depreciation and amortisation				(79,472)
Employment costs				(602,855)
Finance costs				(227,064)
Impairment recovery / (expense)				29,812
Legal and consulting fees				(47,339)
Marketing and business development				(64,272)
Occupancy costs				(134,870)
(ii) Unallocated items				
Interest				2,508
Share-based payments				(983,549)
Corporate transaction accounting expense				(2,407,444)
Loss before income tax				(4,676,095)

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 19 Operating segments (cont.)

Half-Year ended 31 December 2014	Monitoring $	Guarding $	Services $	Total $
Revenue				
Revenue	866,204	1,348,663	419,662	2,634,529
Total segment revenue	866,204	1,348,663	419,662	2,634,529
Reconciliation of segment to group revenue				
Interest				-
Intra-segment income and expense				(85,898)
Other income				28,769
Total group revenue and other income				2,577,400
Segment net loss from continuing operations before tax	218,273	453,967	25,505	697,745
Reconciliation of segment loss to group loss				
Intra-segment income and expense				(131,557)
(iii) Amounts not included in segment results but reviewed by Board:				
Other income				28,769
Administrative expenses				(141,803)
Business acquisition and integration costs				(55,389)
Compliance and regulatory costs				(74,198)
Depreciation and amortisation				(43,179)
Employment costs				(501,744)
Finance costs				(232,737)
Impairment recovery / (expense)				4,718
Legal and consulting fees				(90,295)
Marketing and business development				(4,993)
Occupancy costs				(157,860)
Loss before income tax				(702,523)

b. Segment Assets and Liabilities

As at 31 December 2015	Monitoring $	Guarding and Services $	Total $
Segment Assets	1,401,654	808,256	2,209,910
Reconciliation of segment to group assets			
Unallocated assets			6,928,887
Intra-segment eliminations			(4,109,289)
Total assets			5,029,508
Segment Liabilities	2,179,794	4,092,566	6,272,360
Reconciliation of segment to group liabilities			
Unallocated liabilities			464,519
Intra-segment eliminations			(136,574)
Total liabilities			6,600,305

Notes to the condensed consolidated financial statements
for the half-year ended 31 December 2015

Note 19 Operating segments (cont.)

As at 30 June 2015	Monitoring $	Guarding and Services $	Total $
Segment Assets	686,308	566,126	1,252,434
Reconciliation of segment to group assets			
Unallocated assets			318,176
Intra-segment eliminations			(510,075)
Total assets			1,060,535
Segment Liabilities	1,575,970	3,542,070	5,118,040
Reconciliation of segment to group liabilities			
Unallocated liabilities			2,471,014
Intra-segment eliminations			(103,410)
Total liabilities			7,485,644

Note 20 Commitments

There is no change in the Company's commitments or contingencies since the year ended 30 June 2015 to date of this report.

Note 21 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting period.

Note 22 Events subsequent to reporting date

a. On 9 February 2016, the Company agreed to acquire Sydney-based Integral Risk Group (**IRG**) and Perth-based Australian Event Protection (**AEP**) for a total of $750,000.

   Threat Protect will pay the vendor $250,000 cash and issue it 16.66 million shares at 3.00 cents for a value of $500,000. It will also pay a performance fee equal to 10 percent of non-contracted revenue generated by IRG and AEP for the 12 months to June 2017.

b. On 16 February 2016, the Company raised $3,086,700 through the issue of 102,899,995 shares via a placement.

c. On 24 February 2016, the Company finalised the sale and assignment of a number of its Mineral Exploration Licenses in Tanzania for $95,000 net of costs.

There are no other material events subsequent to reporting date.

Directors' declaration

The Directors of the Company declare that:

1. The condensed financial statements and notes, as set out on pages 4 to 28, are in accordance with the *Corporations Act* 2001 and:

    (a) comply with Accounting Standard AASB 134: *Interim Financial Reporting*; and

    (b) give a true and fair view of the financial position as at 31 December 2015 and of the performance for the half-year ended on that date of the Company.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act* 2001 and is signed for and on behalf of the directors by:

DEMETRIOS PYNES
Managing Director
Dated this Monday, 29 February 2016

Bentleys
THINKING AHEAD

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Independent Auditor's Review Report

To the Members of Threat Protect Australia Limited

We have reviewed the accompanying half-year financial report of Threat Protect Australia Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the Consolidated Entity, comprising the Company and the entities it controlled during the half-year.

Directors Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the Consolidated Entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independent Auditor's Review Report

To the Members of Threat Protect Australia Limited (Continued)

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Threat Protect Australia Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

a. Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Emphasis of Matter

Without further qualifying our conclusion, we draw attention to Note 1(a.ii) in the financial report which indicates that the Consolidated Entity incurred a net loss of $4,676,095 during the half year ended 31 December 2015. This condition, along with other matters as set forth in note 1(a.ii), indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Bentleys

Mark Delaurentis

BENTLEYS
Chartered Accountants

Mark Delaurentis CA
Director

Dated at Perth this 29th day of February 2016

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