

Appendix 4D

Half-year Report
31 December 2017

Smart Parking Limited
ABN 45 119 327 169

Results for announcement to the market

Financial Results	% change	Dec 2017 \$	Dec 2016 \$
Revenue from ordinary activities	Improved 29%	16,037,488	12,412,147
Total Revenue	Improved 26%	16,143,646	12,775,130
Profit/(loss) after tax attributable to members	Improved 509%	2,208,480	362,792
Net Profit/(loss) for the period attributable to members	Improved 1,770%	2,302,304	(137,822)

Dividends

It is not proposed that Smart Parking Limited pay a dividend.

Net Tangible Asset Backing	Dec 2017	Dec 2016
Net tangible asset backing per ordinary security	6.37 cents	6.00 cents

Other explanatory notes

Refer to the Directors Report for an explanation of the operational and financial results of the Company.

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached Interim Financial Statements. These Interim Financial Statements should be read in conjunction with the most recent Annual Financial Report of the Group.



Smart Parking Limited and its Controlled Entities
ABN 45 119 327 169

Interim Financial Report

For the half-year ended 31 December 2017

Contents

Directors' Report	1
Auditor's Independence Declaration.....	6
Independent Auditor's Review Report.....	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	9
Consolidated Statement of Financial Position.....	10
Consolidated Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration.....	21

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made by Smart Parking Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your Directors present their report together with the consolidated financial statements for the half-year ended 31 December 2017.

Directors

The names of the Directors in office during the half-year and until the date of this report are as follows. All Directors were in office for the entire period.

Mr Christopher Morris	Chairman
Mr Paul Gillespie	Managing Director
Ms Penelope MacLagan	Non-Executive Director
Ms Tiffany Fuller	Non-Executive Director
Mr Jeremy King	Non-Executive Director

Principal activities

The Group operates two divisions:

- Technology: Sale of car parking technology hardware, software and associated products and services.
- Parking Management: Provision of parking management solutions, predominantly servicing the retail sector in the United Kingdom.

Directors' Report (continued)

Review of Operations

The Group's operating profit after income tax for the half-year ended 31 December 2017 was \$2,208,480, compared to a profit for the half-year ended 31 December 2016 of \$362,792.

An analysis of underlying EBITDA for the period after excluding the effects of costs incurred in the current period but not expected to occur in the future is outlined below:

	2017 \$	2017 at 2016 Exchange Rates ¹ \$	2016 \$
Revenue	16,143,646	16,280,926	12,775,130
Net profit for the half-year after tax	2,208,480	2,202,254	362,792
EBITDA ²	3,810,866	3,811,165	2,109,004
Dispute settlement ³	-	-	(338,696)
Adjusted EBITDA⁴	3,810,886	3,811,165	1,770,308
Adjusted EBITDA margin	23.6%	23.4%	13.9%

¹The exchange rates are based on the average rates for H1 FY17 (Constant Currency).

²EBITDA represents Earnings before interest, taxation, depreciation and amortisation.

³The dispute settlement relates to damages awarded to Smart Parking in the UK from a former customer in relation to a breach of contract.

⁴The Board assesses the underlying performance of the Group based on a measure of Adjusted EBITDA which takes into account items which are one off in nature and are therefore not expected to be recurring.

The Group's operating profit after income tax was \$2.2m (2016: \$0.4m) driven by a 26% increase in revenue and improved margins.

The Group's Adjusted EBITDA is \$3.8m (2016: \$1.8m). This resulted in the Group's EBITDA margin increasing 10% to 24% after accounting for a change in the treatment of VAT during the half which resulted in an additional charge of \$0.5m. While the change in VAT treatment is not yet definitive the Group continues to accrue for additional VAT based on a probability weighted outcome. Refer to note 15 for additional information.

The Group has 85% of its revenue derived in the United Kingdom resulting in revenue and profits denominated in Great British Pounds ("GBP"). The impact of exchange rate movements was not material during the period.

Directors' Report (continued)

Review of Operations (continued)

As at 31 December 2017, the Group had cash on hand (excluding cash held on behalf of customers) of \$8.4m (30 June 2017: \$13.5m). During the period the Company invested \$6.8m in Corporate Bonds while the Group continues to assess both organic and inorganic growth opportunities.

The Group had net operating cash outflows (before the movement in client funds) for the half-year ended 31 December 2017 of \$3.1m (2016: outflow \$0.2m). The table below summarises the net operating cash movements for the financial year to date. The reported net operating cash inflows including movements in client funds was \$2.7m (2016: outflow \$0.1m).

\$M's	2017	2017 at 2016 Exchange Rates ¹	2016
Net Operating Cash Flow excluding movement in Client Funds	3.1	3.1	(0.2)
Net movement in client funds	(0.4)	(0.4)	0.1
Net Reported Operating Cash Flow	2.7	2.7	(0.1)

¹The exchange rates are based on the average rates for H1 FY17 (Constant Currency).

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. These amounts are material. As cash is collected and banked a corresponding liability is recognised for the same amount. Therefore movements in cash balances will also be reflected in movements in trade and other payables (refer note 9). As payment terms vary between customers the cash profile of collecting and remitting cash is variable and can have a material impact on the Company's cash balances at any one point in time. Cash flow from operating activities, excluding the movements in client cash, better reflects the Company's underlying performance.

Technology Division – Total revenue for the division was \$3.9m with revenue from external customers of \$3.2m (2016: \$1.6m). Sales in this division included revenue from installations in Hamilton City Council (New Zealand), Cardiff City Council (UK), City of Casey (Australia) and City of Hobart (Australia). Recurring revenue increased 34% compared to the prior corresponding period.

The amortisation charge of \$0.4m will reduce in H2 FY18 with developed technology being fully amortised in Q3. The cost of the developed technology was \$5.8m with a book value of \$0.2m at 31 December 2017.

The technology division expects increased revenues in H2 FY18 following the award of a contract with Moonee Valley City Council (Australia), orders from Wilson Parking (New Zealand), Telstra (Australia) and Coles (Australia). The company has also received a letter of intent from the City of Adelaide (Australia) to provide sensors, smart phone guidance, payment application services and ongoing maintenance with the council's intention to complete the installation prior to 30 June 2018.

The Group continues to invest in ongoing research and development associated with the next generation of products and services with a total of \$0.3m being expensed through the Technology division during H1 FY18.

Directors' Report (continued)

Review of Operations (cont'd)

Parking Management Division – Sales of \$12.9m (2016: \$10.8m) were up 19% compared with the prior year despite the loss of Matalan in Q3 FY17. The UK parking management business has continued to experience improved returns during the year through deployment of technology on new and existing sites, and disciplined cost management leading to the EBITDA margin increasing from 32% to 37%.

The division continued with its strategy of deploying technology solutions on manually operated car parking sites in the UK. The division incurred capital expenditure of \$1.2m on the technology roll out during the period. The increased revenue and margin improvement led to EBITDA increasing 38% to \$4.8m (2016: \$3.5m). This is after accounting for a \$0.5m change in the treatment of input VAT. Parking Breach Notices increased 19% and receipts from Parking Breach Notices grew 53% (in constant currency) despite the loss of Matalan in March 2017.

The performance of the division is expected to continue to improve as further growth is anticipated through the deployment of technology on new sites with a strong pipeline of opportunities.

The Group is aware of an Upper Tier Tribunal Ruling in the UK impacting the treatment of input VAT incurred on expenditure relating to the administration of Parking Breach Notice activities. Management continue discussions with HMRC to assess the relevance of this ruling to the Group and the potential impact, and this matter remains unresolved at the date of this report. Refer to Note 15 and the Group's 2017 Annual Report for further information.

Directors' Report (continued)

Dividends

No dividend has been paid or recommended by the Directors since the commencement of the financial year.

Auditor's Independence Declaration

The Auditor's Independence Declaration on page 6 forms part of the Directors' Report for the half-year ended 31 December 2017.

This report is signed in accordance with a resolution of the Board of Directors.



Christopher Morris
Chairman



Paul Gillespie
Managing Director

23 February 2018

Collins Square, Tower 1
727 Collins Street
Docklands Victoria 3008

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of Smart Parking Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Smart Parking Limited for the half-year ended 31 December 2017. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Climpson
Partner – Audit & Assurance

Melbourne, 23 February 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Collins Square, Tower 1
727 Collins Street
Docklands Victoria 3008

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report to the Members of Smart Parking Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Smart Parking Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration of the Group, comprising both the Company and the entities it controlled at the half year's end or from time to time during the half year.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Smart Parking Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors Responsibility for the Half Year Financial Report

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

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 half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Smart Parking Limited consolidated entity's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Smart Parking Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M J Climpson
Partner – Audit & Assurance

Melbourne, 23 February 2018

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2017

	Notes	Half-Year	
		2017	2016
		\$	\$
Revenue from continuing operations	3	16,143,646	12,775,130
Raw materials and consumables used		(1,799,787)	(876,270)
Employee benefits expense		(5,145,958)	(4,837,607)
Depreciation and amortisation expense		(1,023,967)	(1,301,593)
Rental and operating lease costs		(1,435,663)	(1,448,775)
Share-based payments expense		(228,528)	(145,670)
Finance and interest expense		(40,330)	(47,260)
Other expenses		(3,580,821)	(3,290,592)
Profit before income tax		2,888,592	827,363
Income tax expense	4	(680,112)	(464,571)
Profit for the half-year		2,208,480	362,792
Other comprehensive income			
Exchange differences on translation of foreign operations		200,638	(500,614)
Movement in available for sale financial asset reserve		(106,814)	-
Other comprehensive income for the half-year, net of tax		93,824	(500,614)
Total comprehensive income, for the half-year		2,302,304	(137,822)
Total comprehensive income for the half-year attributable to the owners of Smart Parking Limited		2,302,304	(137,822)
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the company.			
- basic earnings per share (cents per share)		0.61	0.12
- diluted earnings per share (cents per share)		0.61	0.12

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

Consolidated Statement of Financial Position

As at 31 December 2017

	Note	31 December 2017 \$	30 June 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	8,664,360	14,225,598
Available for sale financial assets	6	6,711,424	-
Trade and other receivables		6,331,724	5,667,652
Inventories		1,284,443	1,491,628
Income tax receivable		1,267	911
Total Current Assets		22,993,218	21,385,789
Non-current Assets			
Receivables		452,550	365,235
Property, plant and equipment	7	4,203,317	3,516,853
Intangible assets	8	1,977,244	2,366,974
Deferred tax assets	4	485,708	1,156,424
Total Non-current Assets		7,118,819	7,405,486
TOTAL ASSETS		30,112,037	28,791,275
LIABILITIES			
Current Liabilities			
Trade and other payables	9	3,933,067	4,809,541
Borrowings		171,737	177,147
Deferred revenue		581,477	699,207
Provisions		506,941	689,603
Total Current Liabilities		5,193,222	6,375,498
Non-current Liabilities			
Borrowings		52,154	79,948
TOTAL LIABILITIES		5,245,376	6,455,446
NET ASSETS		24,866,661	22,335,829
EQUITY			
Contributed equity	10	68,865,719	68,865,719
Accumulated losses		(47,336,649)	(49,545,129)
Reserves	11	3,337,591	3,015,239
TOTAL EQUITY		24,866,661	22,335,829

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2017

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2017		68,865,719	3,015,239	(49,545,129)	22,335,829
Total comprehensive income for the half-year					
Profit for the half-year		-	-	2,208,480	2,208,480
Other comprehensive income for the half-year	11	-	93,824	-	93,824
Total comprehensive income for the half-year		-	93,824	2,208,480	2,302,304
Transactions with owners, recorded directly in equity					
Contributions by owners					
Contributions of equity net of transaction costs		-	-	-	-
Share-based payment transactions		-	228,528	-	228,528
Total transactions with owners		-	228,528	-	228,528
Balance at 31 December 2017	10	68,865,719	3,337,591	(47,336,649)	24,866,661

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2016		57,751,202	3,186,700	(48,148,406)	12,789,496
Total comprehensive income for the half-year					
Profit for the half-year		-	-	362,792	362,792
Other comprehensive income for the half-year		-	(500,614)	-	(500,614)
Total comprehensive income for the half-year		-	(500,614)	362,792	(137,822)
Transactions with owners, recorded directly in equity					
Contributions by owners					
Contributions of equity net of transaction costs		11,116,478	-	-	11,116,478
Share-based payment transactions		-	145,670	-	145,670
Total transactions with owners		11,116,478	145,670	-	11,262,148
Balance at 31 December 2016	10	68,867,680	2,831,756	(47,785,614)	23,913,822

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2017

	Note	Half-Year	
		2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		15,021,169	12,237,488
Payments to suppliers and employees		(11,930,783)	(12,484,094)
Interest and other finance costs paid		(4,485)	(4,322)
Interest received		53,344	5,620
Income taxes paid		(356)	(1,107)
Net cash flows inflow/(outflow) from operating activities before movement in client funds		3,138,889	(246,415)
Net increase/(decrease) in cash held on behalf of customers	5	(406,350)	129,796
Net cash flows inflow/(outflow) from operating activities	12	2,732,539	(116,619)
Cash flows from investing activities			
Purchase of intangible assets		(99,521)	-
Purchase of plant and equipment		(1,284,934)	(351,091)
Purchase of available for sale financial assets		(6,850,921)	-
Net cash flows inflow/(outflow) from investing activities		(8,235,376)	(351,091)
Cash flows from financing activities			
Proceeds from share issue		-	11,608,233
Share issue costs		-	(249,356)
Proceeds from borrowings		-	81,161
Hire purchase payments		(97,605)	(28,823)
Net cash flows inflow/(outflow) from financing activities		(97,605)	11,411,215
Net increase/(decrease) in cash and cash equivalents		(5,600,442)	10,943,505
Cash and cash equivalents at beginning of the half-year		14,225,598	4,140,820
Effects of exchange rate changes on cash and cash equivalents		39,204	(96,900)
Cash and cash equivalents at end of the half-year	5	8,664,360	14,987,425
Non-cash financing and investing activities		-	226,184

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

Note 1 – Basis of preparation

The half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standards AASB 134: “Interim Financial Reporting”.

These financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any publications made by Smart Parking Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*. The half-year financial statements do not include full disclosures of the type normally included in annual financial statements. The accounting policies adopted are consistent with those of the previous financial year except where otherwise disclosed.

In some instances the prior period balances have been amended to ensure consistent classification with the financial statements for the year ended 30 June 2017.

Notes to the Financial Statements (continued)

Note 2 – Segment information

a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from a product perspective and has identified two reportable segments. Technology consists of car parking technology products and solutions sold globally and Parking Management consists of the business which operates car parking sites in the United Kingdom.

b) Segment information provided to the Board

The segment information provided to the Board for the reportable segments for the half-year ended 31 December 2017 is as follows:

	Technology	Parking Management	Total
Half-year - 2017	\$	\$	\$
Total segment revenue	3,865,832	12,862,104	16,727,936
Inter-segment revenue	(690,448)	-	(690,448)
Revenue from external customers	3,175,384	12,862,104	16,037,488
Adjusted EBITDA¹	(466,153)	4,759,003	4,292,850
Half-year - 2016			
Total segment revenue	2,158,823	10,825,506	12,984,329
Inter-segment revenue	(572,182)	-	(572,182)
Revenue from external customers	1,586,641	10,825,506	12,412,147
Adjusted EBITDA	(1,050,432)	3,454,637	2,404,205
Total segment assets			
31 December 2017	3,035,274	16,903,751	19,939,025
30 June 2017	3,148,148	16,398,152	19,546,300

¹The Adjusted EBITDA for the Parking Management division included a change in the treatment of VAT during the half which resulted in an additional charge of \$0.5m. While the change in VAT treatment is not yet definitive the Group continues to accrue for additional VAT based on a probability weighted outcome. Refer to note 15 for additional information.

The Board assesses the performance of the operating segments based on a measure of Adjusted EBITDA. This measurement excludes the effects of items which are considered one-off in nature and are therefore not expected to be recurring such as restructuring costs, acquisition costs, legal costs and goodwill impairments which are non-cash in nature. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Notes to the Financial Statements (continued)

Note 2 – Segment information (cont'd)

b) Segment information provided to the Board (cont'd)

A reconciliation of adjusted EBITDA to operating profit before income tax is provided as follows:

	Half-Year 2017 \$	2016 \$
Adjusted EBITDA	4,292,850	2,404,205
Intersegment eliminations ¹	(240,826)	890,778
Interest revenue	106,158	24,287
Interest expense	(4,485)	(4,322)
Depreciation	(581,379)	(859,626)
Amortisation	(442,588)	(441,967)
Legal dispute and settlement	-	338,696
Adjusted EBITDA for parent company ¹	(241,138)	(1,524,688)
Profit before income tax from operations	2,888,592	827,363

¹The Adjusted EBITDA for the parent company includes foreign exchange movements on intercompany funding which is eliminated on consolidation.

The amounts provided to the Board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Notes to the Financial Statements (continued)

Note 3 – Revenue and other income

	Half-Year	
	2017	2016
	\$	\$
From continuing operations		
Revenue		
Revenue from sale of goods and services	16,037,488	12,412,147
Dispute settlement	-	338,696
Interest revenue	106,158	24,287
Total revenue from continuing operations	16,143,646	12,775,130

Note 4 – Income tax expense

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and income tax losses. The deferred tax asset of \$485,708 at 31 December 2017 reduced \$670,716 from 30 June 2017 following Smart Parking Limited (UK) generating a taxable profit and consuming carried forward tax losses.

Note 5 – Cash and cash equivalents

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Current		
Cash at bank and in hand	8,386,590	13,541,478
Cash held on behalf of customers	277,770	684,120
	8,664,360	14,225,598

Cash at bank includes cash that Smart Parking Limited (UK) has collected and counted on behalf of customers, the associated liability for this is included in other payables.

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. These amounts are material. As cash is collected and banked a corresponding liability is recognised for the same amount. As payment terms vary between customers the cash profile of collecting and remitting cash is variable and can have a material impact on the company's cash balances at any one point in time.

Note 6 – Available for sale financial assets

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Non-current		
Available for sale financial assets	6,711,424	-
	6,711,424	-

Available for sale financial assets includes Corporate Bonds.

Notes to the Financial Statements (continued)

Note 7 - Property, plant and equipment (non-current)

	Motor Vehicles	Office Equipment	Plant and Equipment	Leasehold Improvem -ents	Total
Consolidated	\$	\$	\$	\$	\$
Year ended 30 June 2017					
At 30 June 2017					
Cost or fair value	377,507	287,928	7,574,594	467,118	8,707,147
Accumulated depreciation & impairment	(312,279)	(208,355)	(4,537,925)	(131,735)	(5,190,294)
Net book amount	65,228	79,573	3,036,669	335,383	3,516,853
Half-year ended 31 December 2017					
Opening net book amount	65,228	79,573	3,036,669	335,383	3,516,853
Additions	83,700	10,071	1,169,536	14,106	1,277,413
Disposals	(2,865)	-	(77,786)	-	(80,651)
Depreciation charge for the year	(13,645)	(14,526)	(536,961)	(16,247)	(581,379)
Foreign exchange translation	387	(967)	65,648	6,013	71,081
Closing net book amount	132,805	74,151	3,657,106	339,255	4,203,317
At 31 December 2017					
Cost or fair value	394,798	296,814	8,761,645	489,713	9,942,970
Accumulated depreciation & impairment	(261,993)	(222,663)	(5,104,539)	(150,458)	(5,739,653)
Net book amount	132,805	74,151	3,657,106	339,255	4,203,317

Notes to the Financial Statements (continued)

Note 8 - Intangible assets (non-current)

	Software \$	Developed Technology \$	Goodwill \$	Other intangible assets \$	Total \$
At 30 June 2017					
Cost	1,005,615	5,785,380	13,652,267	15,901	20,459,163
Accumulated amortisation and impairment	(763,309)	(5,168,743)	(12,145,031)	(15,106)	(18,092,189)
Net book amount	242,306	616,637	1,507,236	795	2,366,974
Half-year ended 31 December 2017					
Opening net book amount	242,306	616,637	1,507,236	795	2,366,974
Additions	2,202	25,028	-	-	27,230
Disposals	-	-	-	-	-
Exchange differences	(4,495)	-	30,123	-	25,628
Amortisation charge	(23,869)	(417,924)	-	(795)	(442,588)
Closing net book amount	216,144	223,741	1,537,359	-	1,977,244
At 31 December 2017					
Cost	1,003,819	5,810,408	13,699,290	9,745	20,523,262
Accumulated amortisation and impairment	(787,675)	(5,586,667)	(12,161,931)	(9,745)	(18,546,018)
Net book amount	216,144	223,741	1,537,359	-	1,977,244

Note 9 – Trade and other payables

	Consolidated	
	31 Dec 2017 \$	30 Jun 2017 \$
Current		
Trade payables	3,655,297	4,125,421
Cash collected on behalf of customers	277,770	684,120
	3,933,067	4,809,541

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. These amounts are material. As cash is collected and banked a corresponding liability is recognised for the same amount. As payments terms vary between customers the cash profile of collecting and remitting cash is variable and can have a material impact on the Group's cash balances at any one point in time.

Notes to the Financial Statements (continued)

Note 10 – Equity securities issued during the half-year

There has been no equity securities issued during the year.

Note 11 – Reserves

	Consolidated	
	31 Dec 2017	30 Jun 2017
	\$	\$
Share based payments	2,388,985	2,160,457
Foreign currency translation	1,055,420	854,782
Available for sale financial assets reserve	(106,814)	-
	3,337,591	3,015,239

Note 12 – Reconciliation of cash flows from operating activities

	Half-Year	
	2017	2016
	\$	\$
Reconciliation of Cash Flow from Operations with Profit/(loss) after Income Tax		
Profit/(loss) after income tax for the period	2,208,480	362,792
Adjustments for:		
(Gain)/loss on disposal of plant and equipment	68,475	24,447
Depreciation and amortisation expense	1,023,967	1,301,593
Impairment of trade receivables	(8,009)	24,366
Share-based payments expense	228,528	145,670
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
(Increase)/decrease in trade and term receivables	(207,185)	678,016
(Increase)/decrease in inventories	207,185	184,211
(Increase)/decrease in other current assets	(517,801)	(661,754)
Increase/(decrease) in trade payables and accruals	(535,111)	(2,863,164)
Increase/(decrease) in cash held on behalf of clients	(406,350)	129,796
(Increase)/decrease in tax payable and deferred tax	670,360	557,408
Net Cash inflow /(outflow) from operations	2,732,539	(116,619)

Note 13 – Dividends

No dividends were paid or declared during the period.

Note 14 – Events subsequent to Reporting Date

No matter or circumstance has arisen since the reporting date which is not otherwise reflected in this report that has significantly or may significantly affect the operations of the consolidated entity.

Note 15 – Contingent Liabilities

The Group is aware of an Upper Tier Tribunal Ruling in the UK impacting the treatment of input VAT incurred on expenditure relating to the administration of Parking Breach Notice activities. Management continue discussions with HMRC to assess the relevance of this ruling to the Group and the potential impact, and this matter remains unresolved at the date of this report. Refer to the Group's 2017 Annual Report for further information.

There have been no other changes in contingent liabilities since the last annual reporting period date, 30 June 2017.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 20 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard: *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional requirements; and
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half- year ended on that date; and
- (b) there are reasonable grounds to believe that Smart Parking Limited will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors and is signed for and on behalf of the directors by:



Mr Christopher Morris
Chairman



Paul Gillespie
Managing Director

23 February 2018