

Appendix 4D

Half-year Report
31 December 2016

Smart Parking Limited
ABN 45 119 327 169

Results for announcement to the market

Financial Results	% change	Dec 2016 \$	Dec 2015 \$
Revenue from ordinary activities	Down 20.9%	12,412,147	15,683,758
Total Revenue	Down 18.7%	12,775,130	15,719,261
Profit/(loss) after tax attributable to members	Improved 130.7%	362,792	(1,181,979)
Net Profit/(loss) for the period attributable to members	Improved 88.4%	(137,822)	(1,188,755)

Dividends

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

Net Tangible Asset Backing	Dec 2016	Dec 2015
Net tangible asset backing per ordinary security	6.00 cents	3.46 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 2016

Contents

Directors' Report	1
Auditor's Independence Declaration.....	5
Independent Auditor's Review Report.....	6
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position.....	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
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 2016 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 2016.

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, transport and other sectors in the United Kingdom.

Review of Operations

The Group's operating profit after income tax for the half-year ended 31 December 2016 was \$362,792, compared to a loss for the half-year ended 31 December 2015 of 1,181,979.

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

	2016 \$	2015 \$
Net profit/(loss) for the half-year after tax	362,792	(1,181,979)
Adjusted EBITDA ¹	2,133,451	72,453
Professional fees ²	-	774,674
Dispute settlement ³	(338,696)	-
Adjusted EBITDA after non-recurring items⁴	1,794,755	847,127

¹Adjusted EBITDA represents Earnings before interest, taxation, depreciation, amortisation and loss on disposal of plant and equipment.

²The professional fees relate to a legal dispute which was settled during the previous period relating to the Group's acquisition of Town and City Parking Limited which is not expected to occur in the future. Further details of the dispute are included in note 31 in the Annual Report for the year ended 30 June 2016.

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 costs incurred in the current period but not expected to occur in the future.

Directors' Report (continued)

Review of Operations (continued)

The Group's operating profit after income tax was \$0.4m (2015: Net Loss after Tax \$1.2m). Revenue decreased in the Parking Management Division following the loss of the parking management contract with Asda which was terminated on 30 April 2016. This was offset by revenue from new business with increased margins which led to an improvement in Adjusted EBITDA from a profit of \$2.8m to a profit of \$3.5m. An adjusted EBITDA loss of \$1.1m in the Technology Division was \$0.5m favourable to FY15 with higher revenue from the sales of parking sensors.

The Group's Adjusted EBITDA after excluding the effects of costs incurred in the current period but not expected to occur in the future is \$1.8m (2015: profit of \$0.8m).

The Group has 88% of its revenue derived in the UK resulting in revenue and profits denominated in GBP which is materially impacted by movements in the exchange rate between GBP and the Group's presentation currency.

The following table shows the impact of the movement in exchange rates.

\$M's	2016	2016 at 2015 Exch ¹	2015
Revenue	12.8	15.4	15.7
Adjusted EBITDA	2.1	2.9	0.1
Net profit/(loss) after tax	0.4	0.6	(1.2)

¹The exchange rates are based on the average rates for H1 FY16.

The company successfully completed an underwritten capital raising for \$11.1m (net of costs) comprising a 1 for 7 accelerated non-renounceable pro rata entitlement offer and share placement.

As at 31 December 2016, the Group had cash on hand (excluding cash held on behalf of customers) of \$14.1m (30 June 2016: \$3.4m).

The Group had net operating cash outflows for the half-year ended 31 December 2016 of \$0.2m (2015: outflow \$2.2m). The table below summarises the net operating cash movements for the financial year to date. The reported net operating cash outflows including movements in client funds was \$0.1m (2015: outflow \$9.0m) which includes movement in client cash, professional fees and a settlement related to a legal dispute.

\$M's	2016	2015
Net Operating Cash Flow excluding movement in Client Funds and Non-Recurring Items	(0.2)	(0.9)
Net movement in client funds	0.1	(6.8)
Non-recurring cash items	-	(1.3)
Net Reported Operating Cash Flow	(0.1)	(9.0)

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.

Directors' Report (continued)

Review of Operations (cont'd)

Technology Division – Total revenue for the division was \$2.2m with revenue from external customers of \$1.6m (2015: \$0.9m). Sales in this division included revenue from installations in Wellington City Council (New Zealand), Mosman Municipal Council (Australia) and Stockland Baulkham Hills (Australia).

The operating costs (excluding foreign exchange gains and losses) for the half-year ended 31 December 2016 were \$2.3m (2015: \$2.6m). The decrease was partly a result of a review of operational capacity in the UK. The sales cycle for the sensor based technology solution continues to be lengthy however the division has seen an increase in sales activities and enquiry during the year.

Parking Management Division – Sales of \$10.8m (2015: \$14.8m) were down 27% (down 8% allowing for the effect of foreign exchange rate movements) compared with the prior year. The parking management contract with Asda was terminated on 30 April 2016. Excluding the impact of Asda, revenues increased 8% on the prior corresponding period. The UK parking management business has experienced improved returns during the year. This has been achieved by improving levels of customer service, deployment of technology on new and existing sites, and disciplined cost management.

Civil Penalty income was up 41% in constant currency as 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 \$0.4m on the technology rollout. The increase in revenue on non Asda sites, combined with increasing margins, led to an improvement in EBITDA from \$2.8m (half-year FY16) to \$3.5m (half-year FY17).

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 5 forms part of the Directors' Report for the half-year ended 31 December 2016.

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



Christopher Morris
Chairman



Paul Gillespie
Managing Director

17 February 2017

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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 2016, 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



Michael Climpson
Partner

Melbourne, 17 February 2017

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

We have reviewed the accompanying half-year financial report of Smart Parking Limited (the Company), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies, other explanatory information 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.

Directors' Responsibility for the Half-year Financial Report

The Directors of Smart Parking Limited 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 controls as the Directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 2016 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.

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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 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 Smart Parking Limited is not in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2016 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*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Michael Climpson
Partner

Melbourne, 17 February 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the half-year ended 31 December 2016

	Notes	Half-Year	
		2016	2015
		\$	\$
Revenue from continuing operations	3	12,775,130	15,719,261
Raw materials and consumables used		(876,270)	(505,657)
Employee benefits expense		(4,627,739)	(7,271,410)
Depreciation and amortisation expense		(1,301,593)	(1,295,768)
Rental and operating lease costs		(1,448,775)	(1,787,683)
Share-based payments expense		(145,670)	(155,879)
Finance and interest expense		(47,260)	(41,368)
Other expenses	4	(3,500,460)	(5,843,475)
Profit/(loss) before income tax		827,363	(1,181,979)
Income tax expense	5	(464,571)	-
Profit/(loss) for the half-year		362,792	(1,181,979)
Other comprehensive income			
Exchange differences on translation of foreign operations		(500,614)	(6,776)
Other comprehensive income for the half-year, net of tax		(500,614)	(6,776)
Total comprehensive income, for the half-year		(137,822)	(1,188,755)
Total comprehensive income for the half-year attributable to the owners of Smart Parking Limited		(137,822)	(1,188,755)
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the company.			
- basic earnings/(loss) per share (cents per share)		0.12	(0.51)
- diluted earnings/(loss) per share (cents per share)		0.12	(0.51)

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 2016

	Note	31 December 2016 \$	30 June 2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	14,987,425	4,140,820
Trade and other receivables		5,412,835	5,266,382
Inventories		1,457,636	1,641,847
Income tax receivable		1,597	1,107
Total Current Assets		21,859,493	11,050,156
Non-current Assets			
Property, plant and equipment	7	3,534,587	4,173,075
Intangible assets	8	2,658,295	3,169,905
Deferred tax assets	5	1,027,950	1,585,848
Total Non-current Assets		7,220,832	8,928,828
TOTAL ASSETS		29,080,325	19,978,984
LIABILITIES			
Current Liabilities			
Trade and other payables	9	4,098,303	5,830,073
Borrowings	10	164,264	7,208
Deferred revenue		328,747	633,018
Provisions		442,073	719,189
Total Current Liabilities		5,033,387	7,189,488
Non-current Liabilities			
Borrowings	10	133,116	-
TOTAL LIABILITIES		5,166,503	7,189,488
NET ASSETS		23,913,822	12,789,496
EQUITY			
Contributed equity	11	68,867,680	57,751,202
Accumulated losses		(47,785,614)	(48,148,406)
Reserves		2,831,756	3,186,700
TOTAL EQUITY		23,913,822	12,789,496

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 2016

	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	11	68,867,680	2,831,756	(47,785,614)	23,913,822
		Contributed equity	Reserves	Accumulated losses	Total
		\$	\$	\$	\$
Balance at 1 July 2015		57,751,202	3,831,344	(46,623,397)	14,959,149
Total comprehensive income for the half-year					
Loss for the half-year		-	-	(1,181,979)	(1,181,979)
Other comprehensive income for the half-year		-	(6,776)	-	(6,776)
Total comprehensive income for the half-year		-	(6,776)	(1,181,979)	(1,188,755)
Transactions with owners, recorded directly in equity					
Contributions by owners					
Share-based payment transactions		-	155,879	-	155,879
Total transactions with owners		-	155,879	-	155,879
Balance at 31 December 2015		57,751,202	3,980,447	(47,805,376)	13,926,273

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 2016

		Half-Year	
	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		12,237,488	15,043,321
Payments to suppliers and employees		(12,484,094)	(15,961,185)
Non recurring professional fees and dispute settlement		-	(1,292,973)
Interest and other finance costs paid		(4,322)	-
Interest received		5,620	37,098
Income taxes paid		(1,107)	-
Net cash flows inflow/(outflow) from operating activities before movement in client funds		(246,415)	(2,173,739)
Net increase/(decrease) in cash held on behalf of customers	6	129,796	(6,871,819)
Net cash flows inflow/(outflow) from operating activities		(116,619)	(9,045,558)
Cash flows from investing activities			
Purchase of plant and equipment		(351,091)	(1,591,015)
Net cash flows inflow/(outflow) from investing activities		(351,091)	(1,591,015)
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		(28,823)	(92,599)
Net cash flows inflow/(outflow) from financing activities		11,411,215	(92,599)
Net increase in cash and cash equivalents		10,943,505	(10,729,172)
Cash and cash equivalents at beginning of the half-year		4,140,820	16,289,523
Effects of exchange rate changes on cash and cash equivalents		(96,900)	(36,922)
Cash and cash equivalents at end of the half-year	6	14,987,425	5,523,429
Non-cash financing and investing activities	10	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 2016 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.

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 2016 is as follows:

	Technology	Parking Management	Total
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)	3,479,084	2,428,652
Half-year - 2015			
Total segment revenue	1,643,985	14,766,614	16,410,599
Inter-segment revenue	(726,841)	-	(726,841)
Revenue from external customers	917,144	14,766,614	15,683,758
Adjusted EBITDA	(1,572,346)	2,840,232	1,267,886
Total segment assets			
31 December 2016	2,199,826	16,065,143	18,264,969
30 June 2016	4,152,694	16,743,722	20,896,416

The Board assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement excludes the effects of costs incurred in the current period but not expected to occur in the future from the operating segments 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:

	Note	2016 \$	2015 \$
Adjusted EBITDA		2,428,652	1,267,886
Intersegment eliminations		1,040,319	181,764
Interest revenue		24,287	35,503
Interest expense		(4,322)	-
Depreciation		(859,626)	(863,384)
Amortisation		(441,967)	(432,384)
Share-based payments expense		(145,670)	(155,879)
Gain/(Loss) on disposal of fixed property, plant and equipment		(24,447)	6,143
Legal dispute and settlement		338,696	(774,674)
Adjusted EBITDA for parent company		(1,528,559)	(446,954)
Profit/(loss) before income tax from operations		827,363	(1,181,979)

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	
	2016	2015
	\$	\$
From continuing operations		
Revenue		
Revenue from sale of goods and services	12,412,147	15,683,758
Dispute settlement	338,696	-
Interest revenue	24,287	35,503
Total revenue from continuing operations	12,775,130	15,719,261

Note 4 – Other expenses

Profit before income tax includes the following specific expenses:

	Half-Year	
	2016	2015
	\$	\$
Other expenses:		
- Audit fees	(27,145)	(28,638)
- ASX and share registry expense	(63,063)	(48,594)
- Cash collection fees	(153,523)	(447,057)
- Consultants expense	(33,302)	(233,925)
- Impairment of trade debtors	(24,366)	(32,082)
- Foreign exchange loss (net)	(75,418)	(156,159)
- Insurance	(134,357)	(182,544)
- IT Support	(158,814)	(247,626)
- Legal fees	59,334	(602,394)
- Licencing Authority fees	(734,604)	(928,801)
- Gain/(Loss) on disposal of fixed property, plant and equipment	(24,447)	6,143
- Motor vehicle expense	(234,291)	(262,975)
- Repairs and maintenance	(158,761)	(348,209)
- Staff recruitment	(18,972)	(92,851)
- Support and development	(1,521)	(30,495)
- Travel and accommodation	(415,315)	(355,401)
- Telephone and communications	(188,395)	(182,704)

Notes to the Financial Statements (continued)

Note 5 – 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. A deferred tax asset of \$1,027,950 has been included in the Statement of Financial Position as at 31 December 2016 relating to carried forward tax losses in Smart Parking Limited (UK).

Note 6 – Cash and cash equivalents

Current	Consolidated	
	31 Dec 2016	30 Jun 2016
	\$	\$
Cash at bank and in hand	14,085,779	3,368,970
Cash held on behalf of customers	901,646	771,850
	<u>14,987,425</u>	<u>4,140,820</u>

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.

Cash increased following the company successfully completing an underwritten capital raising for \$11.1m (net of costs) comprising a 1 for 7 accelerated non-renounceable pro rata entitlement offer and share placement. Further information on the capital raising is included in note 11.

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 2016					
At 30 June 2016					
Cost or fair value	449,809	408,644	8,239,070	546,605	9,644,128
Accumulated depreciation & impairment	(401,996)	(328,610)	(4,617,983)	(122,464)	(5,471,053)
Net book amount	47,813	80,034	3,621,087	424,141	4,173,075
Half-year ended 31 December 2016					
Opening net book amount	47,813	80,034	3,621,087	424,141	4,173,075
Additions	-	8,665	464,906	3,006	476,577
Disposals	-	-	(21,961)	-	(21,961)
Depreciation charge for the year	(12,278)	(13,115)	(816,853)	(17,380)	(859,626)
Foreign exchange translation	(467)	(2,486)	(206,423)	(24,102)	(233,478)
Closing net book amount	35,068	73,098	3,040,756	385,665	3,534,587
At 31 December 2016					
Cost or fair value	336,637	400,653	8,225,185	518,883	9,481,358
Accumulated depreciation & impairment	(301,569)	(327,555)	(5,184,429)	(133,218)	(5,946,771)
Net book amount	35,068	73,098	3,040,756	385,665	3,534,587

The useful life of a number of Plant and Equipment items was revised during the period which resulted in an accelerated depreciation charge of approximately \$0.25m in the half-year ended 31 December 2016.

Notes to the Financial Statements (continued)

Note 8 - Intangible assets (non-current)

	Software \$	Developed Technology \$	Goodwill \$	Other intangible assets \$	Total \$
At 30 June 2016					
Cost	834,809	5,785,380	13,806,554	23,727	20,450,470
Accumulated amortisation and impairment	(727,699)	(4,332,895)	(12,200,481)	(19,490)	(17,280,565)
Net book amount	107,110	1,452,485	1,606,073	4,237	3,169,905
Half-year ended 31 December 2016					
Opening net book amount	107,110	1,452,485	1,606,073	4,237	3,169,905
Additions	29,732	-	-	-	29,732
Disposals	-	-	-	-	-
Exchange differences	(5,635)	-	(93,490)	(250)	(99,375)
Amortisation charge	(22,449)	(417,924)	-	(1,594)	(441,967)
Closing net book amount	108,758	1,034,561	1,512,583	2,393	2,658,295
At 31 December 2016					
Cost	849,370	5,785,380	13,660,614	22,800	20,318,164
Accumulated amortisation and impairment	(740,612)	(4,750,819)	(12,148,031)	(20,407)	(17,659,869)
Net book amount	108,758	1,034,561	1,512,583	2,393	2,658,295

Note 9 – Trade and other payables

	Consolidated	
	Dec 2016 \$	Jun 2016 \$
Current		
Trade and other payables	3,196,657	5,058,223
Cash collected on behalf of customers	901,646	771,850
	4,098,303	5,830,073

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 – Borrowings

	Consolidated	
	Dec 2016 \$	Jun 2016 \$
Current	164,264	7,208
Non-current	133,116	-
	297,380	7,208

During the period Smart Parking Limited (UK) entered into a Hire Purchase facility repayable over 24 months to acquire parking equipment. A portion of the facility was paid directly to the equipment supplier with no funds flowing through the company's bank account.

Note 11 – Equity securities issued during the half-year

Date	Details	No of shares	Issue price	\$
30 June 2016	Balance	296,174,197		57,751,202
30 November 2016	Share issue	39,733,669	\$0.20	7,946,734
20 December 2016	Share issue	18,307,495	\$0.20	3,661,499
	Less: Transaction costs arising on share issue			(491,755)
31 December 2016	Balance	354,215,361		68,867,680

Note 12 – Reconciliation of cash flows from operating activities

	Consolidated	
	2016 \$	2015 \$
Reconciliation of Cash Flow from Operations with Profit/(loss) after Income Tax		
Profit/(loss) after income tax for the period	362,792	(1,181,979)
Adjustments for:		
(Gain)/loss on disposal of plant and equipment	24,447	(6,143)
Depreciation and amortisation expense	1,301,593	1,295,768
Impairment of trade receivables	24,366	32,082
Share-based payments expense	145,670	155,879
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
(Increase)/decrease in trade and term receivables	678,016	(133,945)
(Increase)/decrease in inventories	184,211	(202,321)
(Increase)/decrease in other current assets	(661,754)	(333,773)
Increase/(decrease) in trade payables and accruals	(2,863,164)	(1,809,076)
Increase/(decrease) in cash held on behalf of clients	129,796	(6,871,819)
(Increase)/decrease in tax payable and deferred tax	557,408	9,769
Net Cash inflow /(outflow) from operations	(116,619)	(9,045,558)

Notes to the Financial Statements (continued)

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 Company has become aware of an Upper Tier Tribunal Ruling in the UK impacting the treatment of input VAT on expenses relating to the derivation of some PCN income. The Company is currently seeking independent expert advice on the facts involved in this case and the potential implications of this tribunal decision on Smart Parking Limited (UK) which may be material. No provision has been made in these financial statements given the early stages of the Group's investigations into this matter.

There have been no other changes in contingent liabilities since the last annual reporting period date, 30 June 2016.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 8 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 2016 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

17 February 2017