



Techniche

Techniche Ltd
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Website www.tcnglobal.net
ABN 83 010 506 162

29 February 2016

The Manager
Australian Stock Exchange Limited
P O Box H224
AUSTRALIA SQUARE NSW 1215

Dear Sir,

Techniche Limited ABN 83 010 506 162 - ASX Code TCN

APPENDIX 4D – HALF YEAR REPORT

Techniche Limited "The Company" lodges herewith the above report including an Interim Financial Report prepared in accordance with AASB 134 for the half year to 31 December 2015 which has been subject to audit review.

Yours faithfully,
TECHNICHE LIMITED

Karl P. Jacoby
Chairman

INTERIM FINANCIAL REPORT

APPENDIX 4D – INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2015

Results for Announcement to the Market

| Key Information | 31 December 2015 \$ | 31 December 2014 \$ | Change \$ | Change % |
|---|---------------------------|---------------------------|--------------|-------------|
| Revenue from ordinary activities | 4,607,919 | 4,503,669 | 104,250 | 2.3% |
| Profit after tax from ordinary activities attributable to members | 787,641 | 1,504,862 | (717,221) | (47.6%) |
| Net profit attributable to members | 787,641 | 1,504,862 | (717,221) | (47.6%) |

| Dividends (distributions) | Amount per security | Franked amount per security |
|--|---------------------|-----------------------------|
| 2015 final dividend – paid 30 th September 2015 | 0.49 | nil |
| On the 27 th August the Company declared a dividend of \$1,095,603 (0.49 cents per ordinary share). This dividend was unfranked and paid on 30 September 2015 | | |
| Record date for determining entitlement to the final dividend | | |
| Ordinary Shares – 10 September 2015 | | |
| Dividend Reinvestment Plans | | |
| The Group does not have any dividend reinvestment plans in operation. | | |

| |
|--|
| Brief explanation of any of the figures reported above necessary to enable the figures to be understood: |
| The net profit for the half year to December 2015 is \$787,641 [2014: \$1,504,862]. The 2015 year profit includes an unrealized gain from currency movements on loans between group entities of \$109,967. The net profit after excluding these unrealized currency gains is \$677,674. [2014 \$1,231,479] |

| NTA backing | Current Period | Previous Corresponding Period |
|--|----------------|-------------------------------|
| Net tangible asset backing per ordinary security | 3.14 cents | 2.77 cents |

Investment in Associates and Joint Ventures

| Material investments in joint venture are as follows: | Half year ended 31 December 2015 | Half year ended 31 December 2014 |
|--|-------------------------------------|-------------------------------------|
| Network Monitoring Holdings Pty Ltd | 50% | 50% |
| As disclosed in the interim financial report, the consolidated entity has recognised an aggregated share of net profit from joint venture listed above amounting to \$213,483 for the half year ended 31 December 2015 [2014: \$35,836]. | | |

INTERIM FINANCIAL REPORT

Directors' Report

The Directors of Techniche Limited ("the Company") submit herewith the financial report for the half-year ended 31 December 2015 of the Consolidated Entity, being the Company and its controlled entities.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors of Techniche Limited who held office at any time during or since the end of the half year are:

Karl Phillip Jacoby (Chairman)
Bruce Ronald Scott
Andrew Campbell

Principal Activities

The principal activity of the Consolidated Entity during the half year was investing in and managing technology companies.

There has been no change in the business activities of investing in, providing funding to, and providing management assistance to wholly owned entities.

Review of Operations

Consolidated Entity

The Board of Techniche Limited is pleased to report a consolidated Net Profit After Tax (NPAT) from continuing operations of \$787,641, compared to a NPAT of \$1,504,862 for the corresponding period last year. The net profit after tax from operations (excluding foreign exchange gains) was \$677,674 [2014: 1,231,479].

Consolidated revenue from ordinary activities for the period was \$4,607,919 [2014: \$4,503,669]. Net assets have decreased to \$16,244,057 from \$16,447,472 at the end of the last annual reporting period (30 June 2015) reflecting NPAT for the period and the payment of a dividend of \$1,095,603 [2014: \$491,903].

The Company retained cash reserves of \$3,432,082 at 31 December 2015 [30 June 2014: \$4,313,931]. This is after the payment of the annual dividend on 30 September 2015. Cash generation was limited by the continued unwinding of unearned income that was recorded at 30 June 2015 as projects associated with the rebuild of eMaintenance in Urgent are concluded.

This is a reasonable outcome with strong results from ERST and Statseeker being offset by a lower result from Urgent. The Company continues to remind shareholders that its revenue and profits are impacted by the size and timing of some orders and major currency fluctuations.

The Techniche Strategy

Techniche is a global technology investment company whose purpose is to provide long term growth in earnings per share and dividends to shareholders in order to attract more capital to invest in and grow profitable businesses.

We employ an active management approach by working with and incentivising management to successfully grow the businesses organically and via strategic acquisitions.

Our target businesses are profitable, provide business to business solutions, with business critical applications, a high level of recurring revenue, which have reached a ceiling in their business cycle, and require possibly new management, capital and/or new strategies to grow.

European Retail Systems Technology GmbH ("ERST")

ERST is managed by Thomas Huben, the CEO, and a small management team and provides managed services to clients such as BP. ERST Technology develops specific applications and provides ongoing managed services for the transfer of business critical data. Global businesses use our services to transfer large amounts of transactional and time sensitive data from over 10,000 sites across Europe. <https://www.erst-technology.com/>

INTERIM FINANCIAL REPORT

Directors' Report

ERST's revenue in Euros was up by approx. 10% and the profit contribution was up by approx. 18% on the prior year. This is a result of an improvement in the trading environment although it is expected that the second half will be slightly weaker.

The Board and the new CEO of Techniche are working with the ERST CEO on business development activities and to look for complementary bolt-on acquisitions.

Urgent Technology Limited group ("Urgent")

Urgent Technology Ltd provides a highly configurable Facilities Management infrastructure and field service management software to over 30,000 sites worldwide. These sites are typically managed and maintained by over 1 million third party contractors, with the software providing tight financial and regulatory control, while improving performance and encouraging behavior through industry best practice. <http://www.urgtech.com/>

The Urgent Group is managed by Jesse Klebba, who was recently appointed as Urgent's CEO, with operations in the UK, USA and Australia. In local currencies, the UK has seen a decrease in both revenues and profit contribution when compared with the prior year. This is primarily due to the completion of the funded element of the redevelopment of eMaintenance Plus, the timing of some contracts, substantial one off costs relating to the management restructure and further product development costs relating to the continued development of eMaintenance Plus. In the US and Australia profits were down, albeit from a small base.

Following a recent restructure of the organisation, Jesse Klebba was appointed as CEO and two new sales staff were appointed in the UK and USA. With the rebuild of eMaintenance having been successfully rolled out to a number of existing customers with very positive feedback, the enhanced focus on sales activities is expected to result in improvements to these businesses in the next financial year.

The Board are continuing to look at a number of complementary bolt-on businesses.

Statseeker

Statseeker was founded in 1996, incorporated in 1998, and is a privately held company with corporate offices in Brisbane, Australia and San Diego, California. Statseeker is a global provider delivering innovative network monitoring solutions for the IT enterprise and OT industrial market space. With active deployments in over 22 countries and many Fortune 100 firms, Statseeker monitors millions of interfaces in real-time. These companies trust Statseeker to deliver big data, make decisions and take action. Statseeker allows them to identify critical issues, isolate what needs work with confidence and fix problems instantly. Further information on Statseeker can be read at www.statseeker.com.

While Statseeker's comparative half year revenues was up 15%, revenues from new business sales were up approx. 46%. This reflects the increased success of the new sales team and a growing depth of recurring revenues. Although Statseeker had a relatively benign December, new business revenues stand at 83% of the total new business recorded for the prior full financial year to 30 June 2015. Operating costs for the period were carefully managed and increased by less than 2%, reflecting the improving trading performance of the business.

Techniche's share of Statseeker's profit contribution (Refer 3 (a)) was \$213,483, which was a significant improvement result to the same period last year [\$35,835]. The overall contribution to the company, including the recovery of Techniche management costs and interest charges (Refer Note 2(b)) was \$310,983, which compares favorably with the prior year result of \$127,086.

Statseeker remains an exciting opportunity with substantial prospects. The restructure of the management team and the appointment of experienced sales people in the US and Australia, as well as the development of a value added reseller program, has resulted in favorable sales growth. Statseeker will continue to build their sales and distribution capability and this is expected to reflect in an increase to their pipeline of prospects and ultimately increases in new business sales and profits.

Group Management and Administration

Techniche has appointed David Nelson to the position of Chief Executive Officer with effect from 1 February 2016. David joins the company after previous roles as Managing Director of Divergent Capital Proprietary Limited, a seed-stage venture capital investor, and CEO of Inovia Holdings. Furthermore, after the appointment of Graham Haeusler of Milestone Capital, to assist with Mergers & Acquisitions, there has been a significant improvement in potential deal flow for the company.

Head office recorded a small improvement in after tax profit due to interest saved from internal loans from ERST that were repaid in full as at June 2015. Management and licence fee revenues from group investments were steady as were operating costs incurred in the Head Office.

INTERIM FINANCIAL REPORT

Directors' Report

Independence Declaration of Auditor

There is no former partner or director of PKF Hacketts Audit, the Company's auditor, who is or was at any time during the half-year ended 31 December 2015 an officer of the Consolidated Entity.

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001 is set out on page 6 and forms part of this Directors' Report for the half-year ended 31 December 2015.

Signed in accordance with a resolution of the Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'K. P. Jacoby', with a stylized, cursive-like script.

K. P. Jacoby

Brisbane 29 February 2016

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307c OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TECHNICHE LIMITED**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2015 there have been no contraventions of:

- a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

PKF HACKETTS

PKF Hacketts Audit



Liam Murphy
Partner

Brisbane, 29 February 2016

Consolidated Statement of Comprehensive Income

| | Notes | Half year to 31 December 2015 \$ | Half year to 31 December 2014 \$ |
|--|-------|---|---|
| Revenue from ordinary activities | | | |
| Revenue from wholly owned subsidiaries | 2 | 4,296,936 | 4,376,584 |
| Revenue from joint ventures | 2 | 310,983 | 127,085 |
| | | 4,607,919 | 4,503,669 |
| Unrealized foreign exchange gain / (loss) | | 109,967 | 273,382 |
| Other income | | 50 | 185 |
| Expenses | | | |
| Auditor remuneration | | (64,309) | (60,245) |
| Acquisition costs | | - | (7,391) |
| Consulting fees | | (69,498) | (51,279) |
| Infrastructure costs | | (242,104) | (209,490) |
| Depreciation expense | | (15,128) | (12,239) |
| Directors remuneration | | (95,093) | (93,384) |
| Employee benefits expense | | (2,576,861) | (2,245,105) |
| Insurance | | (43,498) | (33,349) |
| Motor vehicle and travel expenses | | (127,156) | (137,566) |
| Other expenses | | (174,462) | (112,926) |
| Premises expenses | | (253,623) | (192,172) |
| Share registry and listing fees | | (37,559) | (38,782) |
| Profit before income tax | | 1,018,645 | 1,583,308 |
| Income tax expense | | (231,004) | (78,446) |
| Profit from continuing operations | | 787,641 | 1,504,862 |
| Profit for the year attributable to the members of the parent entity | | 787,641 | 1,504,862 |
| Other comprehensive income | | | |
| Exchange differences arising on translation of foreign operations | | 104,547 | 244,130 |
| Income tax relating to components of other comprehensive income | | - | - |
| Other comprehensive income for the year | | 104,547 | 244,130 |
| Total comprehensive income attributable to members of the parent entity | | 892,188 | 1,748,992 |
| Earnings per share | | Cents | Cents |
| Basic earnings per share | | 0.35 | 0.67 |
| Diluted earnings per share | | 0.35 | 0.67 |

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

| | Notes | As at 31 December 2015 \$ | As at 30 June 2015 \$ |
|----------------------------------|-------|------------------------------------|--------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 3,432,082 | 4,313,931 |
| Trade and other receivables | | 1,376,724 | 1,694,060 |
| Other current assets | | 372,775 | 379,029 |
| Total current assets | | 5,181,581 | 6,387,020 |
| Non-current assets | | | |
| Investments in Joint Ventures | 3 | 1,527,969 | 1,314,486 |
| Loan to associated entities | | 1,406,250 | 1,368,750 |
| Property, plant and equipment | | 60,688 | 70,032 |
| Intangible assets | 4 | 9,214,955 | 9,182,384 |
| Total non-current assets | | 12,209,862 | 11,935,652 |
| Total assets | | 17,391,443 | 18,322,672 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 317,951 | 465,484 |
| Unearned income | | 627,758 | 1,039,217 |
| Current tax liabilities | | 72,220 | 138,563 |
| Short term provisions | | 129,457 | 231,936 |
| Total current liabilities | | 1,147,386 | 1,875,200 |
| Non-current liabilities | | | |
| Total non-current liabilities | | - | - |
| Total liabilities | | 1,147,386 | 1,875,200 |
| NET ASSETS | | 16,244,057 | 16,447,472 |
| Equity | | | |
| Issued capital | | 70,338,778 | 70,338,778 |
| Reserves | | (851,601) | (956,148) |
| Accumulated losses | | (53,243,120) | (52,935,158) |
| TOTAL EQUITY | | 16,244,057 | 16,447,472 |

The accompanying notes form part of these financial statements.

Consolidated Statements of Changes in Equity

| | Ordinary shares \$ | Retained earnings \$ | FX translation reserve \$ | Total \$ |
|---|--------------------------|----------------------------|------------------------------------|-------------------|
| Balance at 1 July 2014 | 70,338,778 | (55,350,215) | (1,266,388) | 13,722,175 |
| Profit attributable to members of the parent entity | - | 1,504,862 | - | 1,504,862 |
| Total other comprehensive income | - | - | 244,130 | 244,130 |
| Sub total | | 1,504,862 | 244,130 | 1,748,992 |
| Dividends paid or provided for | - | (491,904) | - | (491,904) |
| Balance at 31 December 2014 | 70,338,778 | (54,337,257) | (1,022,258) | 14,979,263 |
| Balance at 1 July 2015 | 70,338,778 | (52,935,158) | (956,148) | 16,447,472 |
| Profit attributable to members of the parent entity | - | 787,641 | - | 787,641 |
| Total other comprehensive income | - | - | 104,547 | 104,547 |
| Sub total | | 787,641 | 104,547 | 892,188 |
| Dividends paid or provided for | - | (1,095,603) | - | (1,095,603) |
| Balance at 31 December 2015 | 70,338,778 | (53,243,120) | (851,601) | 16,244,057 |

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

| | Note | Half year to 31 December 2015 \$ | Half year to 31 December 2014 \$ |
|--|------|---|---|
| Cash flows from operating activities | | | |
| Receipts from customers | | 4,884,709 | 4,317,546 |
| Payments to suppliers and employees | | (4,549,767) | (4,016,496) |
| Interest received | | - | - |
| Income tax refund / (paid) | | (297,347) | (553,762) |
| Net cash provided by (used in) operating activities | | 37,595 | (252,710) |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | | (5,784) | (17,206) |
| Payment for subsidiaries net of cash acquired | | - | - |
| Purchase of shares in joint venture | | - | - |
| Payment of related party loans | | - | (250,000) |
| Net cash provided by (used in) investing activities | | (5,784) | (267,206) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | - | - |
| Dividends paid | | (1,095,604) | (491,904) |
| Net cash provided by (used in) financing activities | | (1,095,604) | (491,904) |
| Net increase (decrease) in cash held | | (1,063,793) | (1,011,820) |
| Effects of functional currency exchange rate changes | | 181,944 | 175,130 |
| Cash at the beginning of the half year | | 4,313,931 | 3,686,307 |
| Cash at the end of the half year | | 3,432,082 | 2,849,617 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

These consolidated interim financial statements and notes represent those of Techniche Limited ("the Company") and controlled entities ("the Group").

Techniche Limited is a public company incorporated and domiciled in Australia.

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

Note 1. Summary of significant accounting policies

Basis of preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2015 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Techniche Limited and its controlled entities (referred to as the "consolidated group" or "group"). 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 conjunction with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the following half-year.

Accounting policies

The accounting policies and methods of computation adopted in the preparation of this interim financial report are consistent with those adopted and disclosed in the Company's 2015 annual financial report for the year ended 30 June 2015, other than detailed below.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Notes to the Financial Statements

Note 2. Revenue from ordinary activities

| | CONSOLIDATED ENTITY | |
|--|---|---|
| | Half year to 31 December 2015 \$ | Half year to 31 December 2014 \$ |
| Revenue from wholly owned subsidiaries | | |
| Provision of IT services | 4,296,936 | 4,376,584 |
| Revenue from joint ventures | | |
| Share of net profit of joint venture accounted for using the equity method | 213,483 | 35,835 |
| Management fee received from joint venture associate | 60,000 | 60,000 |
| Interest income on subordinated loan to joint venture associate | 37,500 | 31,250 |
| | 310,983 | 127,085 |
| Total revenue from ordinary activities | 4,607,919 | 4,503,669 |

Note 3. Investment in Joint Venture

a. Information about investment in Joint Venture

Set out below is the joint arrangement of the Company as at 31 December 2015, which in the opinion of the directors are material to the Group:

| Name of Associate | Classification of Joint Arrangement | Place of Business/ Country of Incorporation | Proportion of Ownership Interest/ Participating Share | | Measurement at Equity Method or Fair Value |
|--|---|--|--|------------------------------|--|
| | | | As at 31 December 2015 | As at 31 December 2014 | |
| Network Monitoring Holdings Pty Ltd | Joint Venture | Australia | 50% | 50% | Equity method |

Network Monitoring Holdings Pty Ltd and its' controlled entities (Network Monitoring Investments Pty Ltd, Statseeker Holdings Pty Ltd and Statseeker Pty Ltd), are proprietary limited companies and there is no quoted market price available for their ordinary shares.

Note 3. Investment in Joint Venture (continued)

b. Summarised financial information of Joint Venture

| | Half year to 31 December 2015 \$ | Half year to 31 December 2014 \$ |
|--|---|---|
| Summarised Statement of financial position | | |
| Cash & cash equivalents | 372,327 | 1,048,803 |
| Other current assets | 724,779 | 1,695,911 |
| Total current assets | 1,097,106 | 2,744,714 |
| Non-current assets | 8,004,717 | 7,753,705 |
| Financial liabilities (excluding trade payables) | - | 1,460,000 |
| Other current liabilities | 2,635,386 | 3,324,731 |
| Total current liabilities | 2,635,386 | 4,784,731 |
| Non-current financial liabilities (excluding trade payables) | 2,500,000 | 2,500,000 |
| Other non-current liabilities | 910,500 | 514,500 |
| Total non-current liabilities | 3,410,500 | 3,014,500 |
| Net assets | 3,055,937 | 2,699,188 |
| Reconciliation of carrying amounts: | | |
| Net assets at the beginning of the financial period | 2,628,972 | 2,627,519 |
| Contributions to joint venture during the year | | - |
| Profit/(loss) for the period | 426,965 | 71,669 |
| Other comprehensive income | - | - |
| Dividends paid | - | - |
| Carrying amount | 3,055,937 | 2,699,188 |
| Group's share in % | 50% | 50% |
| Group's share in \$ (carrying value) | 1,527,968 | 1,349,594 |
| Summarised statement of profit or loss and other comprehensive income | | |
| Revenue | 2,954,172 | 2,606,021 |
| Interest income | 16,085 | - |
| Depreciation and amortisation | (252,265) | (183,620) |
| Interest expense | (224,137) | (242,010) |
| Income tax (expense)/benefit | (59,207) | (30,715) |
| Profit from continuing operations | 426,965 | 71,669 |
| Profit for the period | 426,965 | 71,669 |
| Group's share of Joint Venture net profit after tax (50%) | 213,483 | 35,835 |

Note 4. Intangibles

| | As at 31 December 2015 | As at 30 June 2015 |
|--|------------------------------|--------------------------|
| Goodwill | \$ | \$ |
| Carrying value | <u>3,128,526</u> | <u>3,041,134</u> |
| | 3,128,526 | 3,041,134 |
| Intellectual property rights | | |
| Carrying value | <u>6,086,429</u> | <u>6,141,250</u> |
| | 6,086,429 | 6,141,250 |
| Total Intangible assets | <u>9,214,955</u> | <u>9,182,384</u> |
| Movement in carrying values | | |
| Movement in the carrying amounts of each class of intangible asset between the beginning and end of the financial period | | |
| Goodwill | | |
| Opening Balance | <u>3,041,134</u> | <u>3,022,752</u> |
| Foreign currency revaluation | <u>87,392</u> | <u>18,382</u> |
| Closing balance | <u>3,128,526</u> | <u>3,041,134</u> |
| Intellectual property rights | | |
| Opening Balance | <u>6,141,250</u> | <u>5,423,975</u> |
| Foreign currency revaluation | <u>(54,821)</u> | <u>717,275</u> |
| Closing balance | <u>6,086,429</u> | <u>6,141,250</u> |

Note 5. Contingent liabilities and contingent assets

There are no other contingent liabilities or contingent assets at the date of this interim consolidated financial report.

Note 6. Subsequent Events

Following a comprehensive national search the Board of Techniche appointed David Nelson to the position of Chief Executive Officer effective from 1 February 2016. Following the appointment, incumbent Executive Chairman Karl Jacoby resumed the position of Non-Executive Chairman.

There are no other matters or circumstances have arisen since the end of the financial period which significantly affected or could significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial periods.

Notes to the Financial Statements

Note 7. Operating segments

| | TCN Corporate | | Urgent Group | | ERST GmbH | | Total | |
|---|---------------|-------------|--------------|-------------|-----------|-------------|--------------|--------------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Provision of IT services | - | - | 2,327,664 | 2,680,201 | 1,969,272 | 1,696,382 | 4,296,936 | 4,376,583 |
| Intra-segment sales | - | - | 62,028 | 151,225 | - | - | 62,028 | 151,225 |
| Inter-segment sales | 693,487 | 702,420 | - | - | - | - | 693,487 | 702,420 |
| Segment sales revenue | 693,487 | 702,420 | 2,389,692 | 2,831,426 | 1,969,272 | 1,696,382 | 5,052,451 | 5,230,228 |
| Other revenue | 107,072 | 91,250 | 15 | 13 | 34 | 66,057 | 107,121 | 157,320 |
| Total segment revenue before elimination | 800,559 | 793,670 | 2,389,707 | 2,831,439 | 1,969,306 | 1,762,439 | 5,159,572 | 5,387,548 |
| Reconciliation of segment revenue to group revenue: | | | | | | | | |
| Elimination entries for revenue on consolidation | | | | | | | (765,086) | (919,530) |
| Total revenue | | | | | | | 4,394,486 | 4,468,018 |
| Profit/(loss) with inter-segment charges | 530,463 | 635,900 | (481,923) | 297,192 | 756,804 | 618,900 | 805,344 | 1,551,991 |
| Equity accounted profits of joint ventures | 213,483 | 35,836 | - | - | - | - | 213,483 | 35,836 |
| Income tax expense | (14,339) | (8,497) | 27,594 | 122,219 | (244,258) | (192,168) | (231,004) | (78,446) |
| Segment result after tax | 729,607 | 663,237 | (454,329) | 419,411 | 512,545 | 426,732 | 787,823 | 1,509,381 |
| Intra-group charges | | | | | | | (182) | (4,519) |
| Total contribution after tax | | | | | | | 787,641 | 1,504,862 |
| Segment assets | 19,917,325 | 17,877,226 | 7,450,641 | 8,721,317 | 1,966,690 | 4,847,859 | 29,334,656 | 31,446,401 |
| Inter-segment elimination | (6,099,192) | (6,105,291) | (5,844,021) | (5,990,238) | - | (3,248,373) | (11,943,213) | (15,343,902) |
| Total consolidated assets | 13,818,133 | 11,771,935 | 1,606,620 | 1,701,706 | 1,966,690 | 1,599,485 | 17,391,443 | 16,102,499 |
| Segment liabilities | 616,005 | 4,326,663 | 7,568,204 | 7,165,315 | 341,147 | 347,318 | 8,525,356 | 11,839,297 |
| Inter-segment elimination | (571,631) | (4,283,513) | (6,625,835) | (6,253,433) | (180,504) | (179,114) | (7,377,970) | (10,716,061) |
| Total consolidated liabilities | 44,373 | 43,150 | 942,369 | 911,882 | 160,643 | 168,204 | 1,147,386 | 1,123,236 |

Directors' Declaration

In accordance with a resolution of the directors of Techniche Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 15 are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. 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.
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.

On behalf of the Directors



K P Jacoby
Director

Brisbane, 29 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TECHNICHE LIMITED AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Techiche Limited ('the Company') and its controlled entities ('the Consolidated Entity') which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration. The consolidated entity comprises the company and the entities it controlled during that 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 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.

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 an Interim 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 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 Techiche 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 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*.

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TECHNICHE LIMITED
AND CONTROLLED ENTITIES (Continued)**

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 Techniche Limited 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 the *Corporations Regulations 2001*.

PKF HACKETTS

PKF Hacketts Audit



Liam Murphy
Partner

Brisbane, 29 February 2016