TECHNICHE LIMITED

And Controlled Entities

ABN 83 010 506 162

ANNUAL REPORT
30 JUNE 2012

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for year ended 30 June 2012

TECHNICHE LIMITED
and controlled entities

Directors

John Derek Hamilton Wolton (Chairman)
Robert John Shaw
Karl Phillip Jacoby

Company Secretary
Kevin Joseph Sheppard

Registered Office &
Principal Place of Business in
Australia

c/ - Sheppard Hanson & Co
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Cannon Hill Queensland 4170

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Cannon Hill QLD 4170

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Website:	www.tcnglobal.net
ABN:	83 010 506 162

Auditors

Lawler Hacketts Audit
Chartered Accountants
Level 3, 549 Queen Street
Brisbane Queensland 4000

Bankers

HSBC Bank Australia Limited
300 Queen Street
Brisbane Queensland 4000

Commonwealth Bank of Australia
240 Queen Street
Brisbane Queensland 4000

Solicitors

Minter Ellison
Level 22, Waterfront Place
1 Eagle Street
Brisbane Queensland 4000

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange.

The Home Exchange is Brisbane, Queensland.

ASX Code: TCN

Share Registry

Register of Securities is held at the following address:

Link Market Services Limited
Level 15, 324 Queen Street
Brisbane Queensland 4000

Telephone:	+ 61 1300 554 474
Facsimile:	+ 61 2 9287 0303
Website:	www.linkmarketservices.com.au

Executive Directory

Thomas Huben	Country Manager ERST Technology GmbH
Grahame Done	Chief Executive Officer Urgent Technology Limited
Jesse Klebba	President Urgent Technology USA LLC

Domicile and Country of Incorporation:

Australia

Chairman's Report

Dear Shareholders,

The trading conditions in the 2012 financial year have continued to be difficult with customers being reluctant to invest in new software. Against this background it has been particularly gratifying that our sales strategy has yielded some new high profile users of the eMaintenance solution for large companies managing their interface with contractors.

Under the new General Manager of Urgent, Grahame Done, appointed in February 2012 the Urgent business has refocussed its marketing strategy to identify a number of niche markets for it's product. One of our recent successes was to sign up B&Q which operates the largest chain of hardware and building products stores in the United Kingdom. Other exciting opportunities to partner Facilities Management operators in Europe are likely to underpin future business development and expansion.

The ERST business operating out of Hamburg in Germany has continued to deliver solid performance under the guidance of a dedicated management team and a highly skilled group of developers who provide leading edge solutions in the area of Managed File Transfer ("MFT") for data capture and processing. The ERST product operates in the background as a facilitator or intermediary. This area has been subject to rapid technological change and there are some very big players becoming increasingly interested in solutions for cloud based computing as well as more traditional operating environments.

As a board we have refocussed on our core strategy which is that of incubating technology companies as they move from the early post-profit phase to being able to operate in a wider market. As part of this process the board has retained a specialist mergers and acquisitions consultancy firm, WavePoint M&A Inc to identify value enhancers and detractors to ensure that Techniche focusses on adding value to the assets we own

Value is driven by profitability, sustainability and transferability. Pricing in the technology market is based on turnover so it is important to expand the customer base. The earnings multiple is dependent on a number of factors which have been discussed and which are now incorporated into forward planning.

While the board has not entered into any contract with a prospective purchaser, and will advise the market should it sign a Heads of Agreement or similar document, subject to commercial confidentiality considerations, the purpose of appointing WavePoint is to advance the process of realising shareholder value and the board has identified pricing points at which it would be prepared to sell business units. Management has been fully briefed and is committed to work on value enhancement within the context of market and product development. The board adopts a pragmatic approach and is keen to keep all businesses on their toes and ready for sale, either as part of an MBO, IPO or acquisition. WavePoint have identified and engaged with multiple prospective purchasers for ERST and Urgent Technology. No offers have been received but a broad range of valuations have been discussed. The Board is encouraged by the level of interest in these two companies. The Board has made positive progress in the sale of EAP, our non-core asset, and will update the market should any contract be entered into.

I want to take this opportunity to thank all management and staff both personally and on behalf of the Board, for their ongoing commitment to maintaining a seamless service to clients whose need for reliable delivery puts all our staff under constant pressure to perform.

On a personal note as part of a process of forward planning by the Board, I have decided to take this opportunity to resign as Chairman of the Board after over five years of service at the upcoming AGM. I then plan on winding down my involvement as a nonexecutive director to enable me to refocus on M&A opportunities which is where I came from before Techniche. My fellow board member Karl Jacoby will take over as Chairman. He will set the future direction of the business and will shape membership of the board to meet emerging challenges and business opportunities. I wish Karl all the best and look forward to travelling some way down this path before I relinquish my directorship.

I thank shareholders for their support over the years.

J. D. H. Wolton
Chairman

Your directors present their report, together with the financial statements of the Consolidated Entity, being Techniche Limited ("the Company") and its controlled entities ("the Group") for the financial year ended 30 June 2012.

Principal activities

The principal activity of the Company during the financial year was investing in and managing technology companies which provide tools and services primarily in the data and asset management sectors. There has been no change in the business activities of investing in, providing funding to, and providing management assistance to wholly owned entities.

Operating results

The consolidated profit of the Group from continuing operations after providing for income tax amounted to $515,042 (2011: $303,733). The comparative result is restated to adjust the allocation of profit between discontinued (Abacus Data Systems Pty Ltd discontinued in 2012) and continuing operations. The 2012 result from continuing operations is an increase on the result reported for the 2011 year but is not directly comparable as the 2012 result includes unrealised exchange gains of certain inter company loans. In the 2012 year Abacus Data Systems Pty Ltd was placed in members voluntary liquidation as part of an ongoing restructure to concentrate ownership of intellectual property on the books of the parent entity. The resulting loss from discontinued operations $758,047 reflects certain accounting adjustments rather than a trading loss incurred prior to liquidation.

Review of operations

General
The Group has faced difficult trading conditions in its Urgent business unit despite securing some high profile clients to add to its revenue base. The new management is attempting to increase prices but faces inelastic market conditions and a degree of economic dependency on a major client. In Germany the results of Erst GmbH represent a satisfactory return on investment. The market remains competitive and management concentrates on delivering high quality services to clients who demand reliable transmission of data with no corruption of data files. The company continues to meet the stringent demands of its customers.

Financial Position
Net assets of the Group have decreased by $0.73m from $10.277m in 2011 to $9.547m in 2012. This decrease is primarily explained as follows:

There was a decrease in the translation value of foreign assets caused by the increase in the value of the Australian dollar during the period ($0.487m).

Cash and short term deposits amounted to $2.429 m at year end (2011 $2.497m) and the working capital ratio (current assets/current liabilities) has decreased marginally from 2.86 in 2011 to 2.72 in 2012 which after allowing for the payment of a dividend totalling $279k and exchange movements, represents a net inflow of cash from operations. The major portion of cash reserves are held in Euros and during the 2012 year the Australian dollar has strengthened by 9.28% against the Euro. Based on the Euro denominated balance held at year end that exchange effect reduces the cash balance translated into Australian dollars by $92k compared with translation at the prevailing rate at 2011 year end. The Group continues to have no interest bearing debt.

During the year the Group invested further resources into business and product development to cater for the needs of existing clients in an effort to increase turnover. While sales revenue from continuing operations went down from $7.112m in 2011 to $6.814m in 2012 most of this decline can be explained by exchange rate effects. However this does not change the fact that revenues remained flat despite continuing efforts to develop new markets and some notable successes by the Urgent group in signing up new customers.

Dividend
The directors do not propose or recommend payment of a dividend during the year.

ERST European Retail Systems Technology GmbH
This business has now completed its fourth full year as a controlled entity. Its Intranect family of MFT solutions handle data communications to and from a large number of fuel stations and bottle recycling depots throughout Europe.

The business generated revenue of € 2.37m (A$3.08m). The comparative revenue in 2011 was € 2.29m (A$3.16m). Net profit before tax and internal charges amounted to €1.05m (A$ 1.36m) compared to €1.14m (A$ 1.59m) in 2011. The small decline in pre-tax profit expressed in local currency reflects difficult business conditions in the European market and while margins declined slightly the overall result reflects well on local management which has kept costs under tight control.

Urgent Technology Group
Consisiting of 4 entities:

Urgent Technology Ltd; Urgent Technology India Pte Ltd; Urgent Technology USA LLC; Urgent Technology Australasia Pty Ltd.

This group of companies provides services in IT Web Based applications to customers on a worldwide basis. The eMaintenance suite of solutions manages the interface between retail outlets and service providers who are typically independent contractors.The company has increased the scale of its operations since being acquired and has reduced its overall dependnecy on a major customer by broadening its customer base through winning new business. While the company's solution is superior to many competitors it faces pricing pressures that have meant that marketing success has not fed through to the bottom line.

The then UK focussed core business was acquired on 28 May 2010 and the reported revenue for the first full year of ownership (2011) was GBP2.081m ($A3.354m) and in 2012 its external revenue from its worldwide operations was $A3.111m. In 2011 net profit before tax and internal charges amounted to $A467k.

In the 2012 financial year the worldwide group, reporting in GBP, USD and A$ reported a loss of $A112k before tax and internal charges (refer Note 20). This turnaround in profitability reflects the competitive market conditions and underlines the effect of downward pressure on prices, costs of establishing a permanent business structure in USA and a degree of cost inelasticity in the UK operations. Improving margins is one of the major challenges facing management in the coming financial year.

EAP Australasia Pty Ltd
This Australian company, formed as a consequence of the sale of Prologic has continued to sell and service the Mega product. This software is licenced from Mega, a French based global software company. The existing sales and support staff transferred across from Prologic to EAP and they continued business as usual. This business has been identified as a non core business and it is proposed to sell this company to free up resources to concentrate on the core business.

Abacus Data Systems Pty Ltd
In the current year the board decided to liquidate this company which owned software that has application in the MFT space. The main reason for liquidating the company was to simplify the business structure and to transfer ownersip of software to the parent entity as part of its plan to own IP developed for use in its business units. As a result of deconsolidating Abacus the group recognised a loss attributable to accounting adjustments. This was not a trading loss relating to the current year when the company traded profitably in the first half of the financial year.

Future developments, prospects and business strategies

The Board remains committed to improving shareholder value through growing value in its business units and positioning those units either for continuing growth or sale on favourable terms.

The sale of the non-core EAP Australasia Pty Ltd will enable reduction in management and labour costs while providing funding for increased sales resources to implement a go-to-market strategy to expand the ERST and the Urgent suite of products into target markets.

Continued investment in both existing application development and development of new functionality using the latest technologies is expected to ensure that the group can continue to deliver quality services and products with greater efficiency than its competitors.

This strategy, including expansion into the USA market, combined with ongoing diligent cost control will enable accumulation of cash and consideration of further acquisitions in Australia should buying opportunities arise. These actions are expected to assist in the achievement of the Group's long term goals. Due to continuing uncertainty in world markets, it is not possible at this stage to predict the results of these future operations.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Group occurred during the financial year:

Changes in controlled entities:
2012 financial year
Liquidation of Abacus Data Systems Pty ltd
2011 financial year
Disposal of Prologic Pty Ltd (refer Note 23(c)) for details of the impact of this sale on the Financial Report.
Acquisition of the remaining 50% of TVPC International Pty Ltd (refer Note 23(b)) in the Financial Report.

After balance date events

The Board has retained the services of WavePoint M&A Inc, a Toronto based consultancy firm dealing exclusively in the High Technology Sector. The purpose of retaining the firm is twofold, firstly to identify potential buyers of business units and secondly provide advice in relation to strategies to add value over the short to medium term. Business managers have been included in the process and the group is seeking to put all business units on a ready for sale basis both through improved profit performance and clear strategic development plans. It is recognised that reliance on organic growth using the same business strategies as before will not unlock the value potential of the businesses. As part of this process the board has re-assigned Donna Salvatore to head up M&A activities and to work closely with WavePoint.

As part of an ongoing focus on revenue growth in the Urgent business unit Grahame Done has been tasked by the board with an overall responsibility for co-ordinating market and product development for all operating entities.

With the board's engagement in the M&A process it has been decided to return the financial management of the group to Australia to assist in planning and controlling the future direction of the group either following a sale of business units or as part of a revitalised Australian board under the leadership of Karl Jacoby. The board has appointed Chris Reid as Group Financial Controller to implement this transition. Chris had worked for the group as a consultant, providing support services in relation to statutory financial reporting requirements.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Environmental issues

The Group's operations are not currently subject to significant environmental regulation under the law of the Commonwealth and State.

Energy Efficiency Opportunities Guidelines

The Group is not subject to the conditions imposed by the registration and reporting requirements of the Energy Efficiency Opportunities Act 2006 in the current financial year as its energy consumption was below the registration threshold.

If the Group exceeds this threshold in future reporting periods it will be required to register with the Department of Resources, Energy and Tourism and complete an Energy Savings Action Plan. This plan assesses the energy usage of the Group and identifies opportunities for the Group to reduce its energy consumption.

Information on directors

Director	Qualifications and experience	Special responsibilities	Interest in shares and options
JOHN WOLTON (Chairman)	John has in excess of 30 years experience in the Technology industry, together with 14 years experience in commercial capital raisings.	Chairman since 20 December 2006 Non-executive Director Member of Remuneration Committee	4,643,000 ordinary shares
ROBERT SHAW	Bob has extensive experience in the Information Technology industry including having previously been Chairman of another technology based listed entity.	Non-executive Director since 14 December 2006 Member of Audit Committee Member of Remuneration Committee	4,700,000 ordinary shares
KEVIN SHEPPARD B.Bus (Acctcy), CPA	Kevin is a partner in Sheppard Hanson & Co, a firm of Certified Practising Accountants in Brisbane. He has 19 years previous experience as Company Secretary of a listed entity.	Non-executive Director from 14 December 2006 to 31 March 2012 Company Secretary (continuing) Member of Audit Committee	8,979,760 ordinary shares
KARL JACOBY GAICD	Karl was appointed Managing Director on 5 August 2008 and retired on 30 June 2011 He has extensive experience in management, healthcare, manufacturing and equities.	Managing Director from 5 August 2008 to 30 June 2011 From 1 July 2011 he relinquished the role of Managing Director to continue as a non executive director.	41,410,839 ordinary shares 500,000 options over ordinary shares

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' meeting		Audit committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
JDH Wolton	12	12	-	-	1	1
RJ Shaw	12	12	2	2	1	1
KJ Sheppard	9	9	2	2	-	-
KP Jacoby	12	12	-	-	-	-

Directorships of other listed companies

The Directors held no directorships of other listed companies in the three years immediately before the end of the financial year.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Kevin Joseph Sheppard
(B.Bus (Acctcy), CPA)

Mr Sheppard is a partner in Sheppard Hanson & Co, a firm of Certified Practising Accountants in Brisbane. He was previously the Company Secretary of another listed entity for 19 years.

Indemnification of officers

During or since the end of the reporting period, the parent entity has paid premiums in respect of a contract insuring all the directors and officers of Techniche Limited and its wholly owned subsidiaries against all claims, proceedings, liabilities and expenses incurred in their job as director or officer of the company or wholly owned subsidiary except where the liability arises out of conduct involving a wilful breach of duty or where the liabilities have been imposed by law or for any legal action or litigation outside the jurisdiction of the contract. The total amount of the insurance contract premium paid was $29,646 (2011: $23,858).

Options

At the date of this report, the unissued ordinary shares of Techniche Limited under option are as follows:

Grant date	Exercise price	Number under option
20-Nov-08	$0.12	500,000

During the year ended 30 June 2012 there were no ordinary shares of Techniche Limited issued upon the exercise of options granted.

During the year 3,000,000 options exercisable on or before 30 June 2012 at exercise price of 9.0 cents were not exercised and expired on 30 November 2011.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of any non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that any services provided did not compromise the external auditor's independence for the following reasons:

(i) all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

(ii) the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

The following fees were paid for services provided by the auditor of the parent entity, its related practices and non-related audit firms: $47,605 (2011: $42,000). No non-audit services were provided by the auditor of the parent entity during the year.

There are no officers of the company who are former audit partners of Lawler Hacketts Audit.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 13 of the Annual Report.

REMUNERATION REPORT (Audited)

Remuneration Policy

The Group's remuneration policy has been designed to align directors and management objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific longer term incentives based on key performance areas affecting the Group's financial results. The board believes the remuneration policy to be appropriate to attract and retain the best persons to run and manage the Group as well as create a common interest in goals between directors, managers and shareholders.

Remuneration of non executive directors comprise fees determined having regard to industry practice, the need to obtain appropriately qualified independent persons and consideration of costs for persons of similar levels of responsibility. Fees do not include non monetary elements provided during the year. Fees for the non executive chairman of directors are not linked to the performance of the Group.

The board's policy for determining the nature and amount of remuneration for key management personnel of the consolidated group is as follows:

(i) The remuneration policy is required to be developed by the remuneration committee and approved by the board after seeking professional advice from independent external consultants.

(ii) All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.

(iii) Incentives paid in the form of options or rights are intended to align the interests of the directors and company with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

(iv) Performance incentives are generally only paid once predetermined key performance indicators have been met.

(v) The remuneration committee reviews key management personnel packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel subject to the arrangement are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package.

Upon retirement, key management personnel are paid employee benefit entitlements accrued to date of retirement. Any options not exercised before or on the date of termination lapse.

All remuneration paid to key management personnel is valued at the cost to the company and expensed.

The board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

REMUNERATION REPORT (Audited)

Performance based remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with key management personnel to ensure participation. The measures are specifically tailored to the areas each individual is involved in and over which they have a level of control. The KPIs target areas the board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the group and respective industry standards.

Performance in relation to the KPI's is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPI's are set for the following year.

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures.

Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. Two methods have been applied to achieve this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to the majority of directors and executives to encourage the alignment of personal and shareholder interests.

The remuneration structure for executives seeks to emphasise payment for results through providing various reward schemes such as the incorporation of incentive payments based on the achievement of sales and profit targets. The objective of the reward schemes is to reinforce the short and long-term goals of the Group including long term growth in shareholder wealth.

Performance conditions linked to remuneration

The Group seeks to emphasise reward incentives for results and continued commitment to the Group through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of profit targets and continued employment with the Group.

The performance related proportions of remuneration based on profit targets are included in the following tables. The objective of the reward schemes is to both reinforce the short and long-term goals of the Group and to provide a common interest between management and shareholders. There has been no alteration to the terms of the bonuses paid since grant date.

The satisfaction of the performance conditions are based on a review of the audited financial statements of the Group as such figures reduce any risk of contention relating to payment eligibility. The Board does not believe that performance conditions should include a comparison with factors external to the Group at this time.

Employment details of members of key management personnel and other executives

The following tables provide employment details of persons who were, during the financial year, members of key management personnel of the Group, and to the extent different, were amongst the five Group executives receiving the highest remuneration. The tables also illustrate the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

The employment terms and conditions of key management personnel and group executives are formalised in contracts of employment. Terms of employment require the relevant group entity provide an executive contracted person with a minimum of three months notice prior to termination of contract. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least three months notice. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

Position held as at 30 June 2012 and any changes during the year		Contract details
Group Key Management Personnel		
Donna Salvatore	CEO Global Operations	From 5 July 2011*.
Jeffrey Gerns	Group Financial Controller	From 5 October 2011*.
Thomas Huben	General Manager, ERST Technology GmbH	From 1 March 2012 for 12 months
Grahame Done	General Manager, Urgent Technology Limited	From 1 February 2012 for 12 months
Jesse Klebba	President, Urgent Technology USA LLC	From 1 July 2011 ofr 12 months
Chris Boys	CEO Urgent & EAP Australasia Pty Ltd	From 1 November 2010 to 31 July 2012

* 6 months (Donna) and 3 months (Jeff) notice of termination of employment under relevant contractual provision given with effect from 1 August 2012 subject to ongoing consultancy arrangements to be negotiated by the Board

REMUNERATION REPORT (Audited)

Changes in executives subsequent to year end

With effect from 5 July 2012 Donna Salvatore's role as CEO Global Operations was ended and control of the Erst business unit devolved to Thomas Huben and responsibility for the Urgent business unit split between Grahame Done and Jesse Klebba, the latter taking operational responsibility for the USA, and Donna was reassigned to work with WavePoint in evaluating M&A opportunities both inside and external to the current group. Jeffrey Gerns will assist Donna in this activity with overall financial control for the group being transferred to Head Office in Australia under the supervision of the Board and Chris Reid following his appointment as Group Financial Controller.

Remuneration details for the year ended 30 June 2012

The following table lists payments and benefits details, in respect to the financial year, the components of remuneration for each member of the key management personnel for the Group and, to the extent different, the five Group executives receiving the highest remuneration

		Short-term employee benefits		**Post-employment benefits**		**Share-based payment**		
Name		Cash salary & fees	Bonus / Incentives	Super-annuation	Termin-ation	Options	**Total**	**Performance Related %**
Directors								
J D H Wolton	**2012**	**4,996**	-	**50,004**	-	-	**55,000**	-
	2011	39,467	-	50,004	-	2,550	92,021	-
K P Jacoby (i)	**2012**	**39,600**	-	-	-	-	**39,600**	-
	2011	130,700	-	-	-	-	130,700	16%
R J Shaw	**2012**	-	-	**39,600**	-	-	**39,600**	-
(i)	2011	39,468	-	36,000	-	2,550	78,018	-
K J Sheppard (ii)	**2012**	**9,900**	-	**19,800**	-	-	**29,700**	-
	2011	-	-	36,000	-	2,550	38,550	-
Other key management personnel								
D M. Salvatore (iv)	**2012**	**228,549**	-	-	-	-	**228,549**	-
	2011	-	-	-	-	-	-	-
J Gerns (iv)	**2012**	**100,671**	-	-	-	-	**100,671**	-
	2011	-	-	-	-	-	-	-
T Huben (iii)	**2012**	**138,942**	**73,003**	-	-	-	**211,945**	**34%**
(iii)	2011	72,325	35,449	-	-	-	107,774	33%
G Done (iv)	**2012**	**82,489**	-	**3,837**	-	-	**86,326**	-
	2011	-	-	-	-	-	-	-
J. Klebba	**2012**	**152,138**	-	-	-	-	**152,138**	-
	2011	-	-	-	-	-	-	-
C R Boys	**2012**	**101,505**	-	**33,096**	-		**134,601**	-
	2011	136,666	-	23,266	-	703	160,635	-
M E Railson (v)	**2012**	**85,565**	-	**1,611**	-	-	**87,176**	-
	2011	243,636	-	3,600	-	-	247,236	-
M A Waite	**2012**	-	-	-	-	-	-	
	2011	114,534	321	-	58,744	-	173,599	-
D A Coombes	**2012**	-	-	-	-	-	-	
	2011	44,795	-	31,978	38,921	-	115,694	-
Total	**2012**	**944,355**	**73,003**	**147,948**	-	-	**1,165,306**	
	2011	821,591	35,770	180,848	97,665	8,353	1,144,227	

(i) Consultants fees were paid to Jacoby Group Pty Ltd a company of which KP Jacoby is a director and to Nobart Pty Ltd, a company of which RJ Shaw is a director.

(ii) This represents payments to KJ Sheppard in the capacity of director. Fees totalling $98,944 (2011 $73,333) for accounting, consulting and secretarial services were paid during the year by the company to SHC Business Services, a firm in which K J Sheppard has an equitable interest.

(iii) Appointed 1 March 2011.

(iv) Donna appointed 5 July 2011, Jeff appointed 1 October 2011, Grahame appointed 1 February 2012.

(v) Resigned 18 November 2011.

REMUNERATION REPORT (Audited)

Performance income as a proportion of total remuneration

In 2011 T Huben was paid a performance based bonus based on a set monetary figure, rather than a proportion of salary. In 2012 the bonus earned by T Huben was based on a percentage of post tax profit earned in excess of pre-determined levels. The remuneration committee has set this bonus to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Group. The remuneration committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

Options issued as part of remuneration

Options have been issued to directors and executives as part of their remuneration. The options are issued based on performance criteria approved by shareholders and are issued to directors and executives of Techniche Limited and its subsidiaries to increase goal congruence between executives, directors and shareholders.

Option values are calculated at grant date using a Black-Scholes option pricing model.

	Vested Number	Granted Number	Grant date	Value per Option at Grant Date $	Exercise price $	First exercise date	Last exercise date
Key Management Personnel							
KP Jacoby	500,000	500,000	20-Nov-08	0.0337	0.1021	30-Sep-09	31-Oct-12

The Directors' Report, incorporating the Remuneration Report is signed in accordance with a resolution of the Directors.

J D H Wolton
Chairman

K P Jacoby
Director

Brisbane, 28 September 2012

lawler hacketts chartered accountants

Techniche Limited and Controlled Entities

ABN 83 010 506 162

Auditors Independence Declaration under Section 307C of the Corporations Act 2001

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Lawler Hacketts

Lawler Hacketts Audit

SJ Lindemann

SJ Lindemann
Partner

Brisbane, 28 September 2012

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Statement of Comprehensive Income

for year ended 30 June 2012

TECHNICHE LIMITED
and controlled entities

		CONSOLIDATED ENTITY	
	NOTE	Year ended 30 June 2012 $A	Year ended 30 June 2011 $A
Revenue from ordinary activities	2	**6,814,431**	7,111,657
Other income	2	**922,501**	114,418
Total revenue		**7,736,932**	7,226,075
Expenses:			
Auditors remuneration		**91,734**	118,157
Acquisition costs		**-**	-
Consulting fees		**350,939**	193,722
Cost of sales	3	**326,425**	745,430
Depreciation expense	3, 14	**55,953**	60,575
Directors remuneration		**164,230**	331,639
Employee benefits expense		**4,726,629**	3,547,690
Foreign exchange losses		**12,680**	44,436
Impairment of non-financial assets	3	**100,000**	134,102
Insurance		**75,397**	58,191
Other expenses		**226,986**	573,808
Premises expenses		**330,592**	359,113
Share based payments		**-**	8,353
Share of net profits of associates and joint ventures		**-**	(5,976)
Share registry and listing fees		**75,180**	49,245
Travelling and motor vehicle expenses		**440,526**	405,773
Total expenses		**6,977,271**	6,624,258
Profit before income tax		**759,661**	601,817
Income tax expense	7	**(244,619)**	(298,084)
Profit for the year		**515,042**	303,733
Profit/(loss) from discontinued operations	23c	**(758,047)**	436,499
Profit/(loss) for the year attributable to members of the parent entity		**(243,005)**	740,232
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**(487,114)**	(1,174,559)
Income tax relating to components of other comprehensive income		**-**	-
Other comprehensive income for the year, net of tax		**(487,114)**	(1,174,559)
Total comprehensive income attributable to members of the parent entity		**(730,119)**	**(434,327)**
Earnings per share			
From continuing and discontinued operations			
Basic earnings/(loss) per share (cents per share)	6	**(0.11)**	0.33
Diluted earnings/(loss) per share (cents per share)	6	**(0.11)**	0.33
From continuing operations			
Basic earnings per share (cents per share)	6	**0.23**	0.12
Diluted earnings per share (cents per share)	6	**0.23**	0.12
From discontinued operations			
Basic earnings/(loss) per share (cents per share)	6	**(0.34)**	0.21

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2012

TECHNICHE LIMITED
and controlled entities

	NOTE	CONSOLIDATED ENTITY As at 30 June 2012 $A	 As at 30 June 2011 $A
ASSETS			
Current assets			
Cash and cash equivalents	10	**2,429,048**	2,497,448
Trade and other receivables	11	**1,026,028**	1,513,647
Inventories	12	**6,921**	-
Other current assets	13	**163,049**	129,878
Total current assets		**3,625,046**	4,140,973
Non-current assets			
Investments accounted for using the equity method		**-**	-
Property, plant and equipment	14	**78,023**	124,776
Intangible assets	15	**7,235,511**	7,511,206
Total non-current assets		**7,313,534**	7,635,982
Total assets		**10,938,580**	11,776,955
LIABILITIES			
Current liabilities			
Trade and other payables	16	**1,049,113**	990,584
Current tax liabilities	17	**120,522**	116,397
Short term provisions	18	**165,517**	340,857
Total current liabilities		**1,335,152**	1,447,838
Non-current liabilities			
Long term provisions	18	**56,638**	52,208
Total non-current liabilities		**56,638**	52,208
Total liabilities		**1,391,790**	1,500,046
NET ASSETS		**9,546,790**	10,276,909
EQUITY			
Issued capital	22	**70,338,778**	70,338,778
Reserves	23	**(2,111,108)**	(1,574,450)
Accumulated losses		**(58,680,880)**	(58,487,419)
TOTAL EQUITY		**9,546,790**	10,276,909

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for year ended 30 June 2012

TECHNICHE LIMITED
and controlled entities

	Ordinary shares $	Retained earnings $	Option reserve $	FX Translation reserve $	Total $
Balance at 30 June 2010	70,338,778	(58,948,160)	43,719	(451,963)	10,982,374
Profit attributable to members of the parent entity	-	740,232	-	-	740,232
Options issued during the year	-	-	8,353	-	8,353
Total other comprehensive income	-	-	-	(1,174,559)	(1,174,559)
Sub total	-	740,232	8,353	(1,174,559)	(425,974)
Dividends paid or provided for	-	(279,491)	-	-	(279,491)
Balance at 30 June 2011	**70,338,778**	**(58,487,419)**	**52,072**	**(1,626,522)**	**10,276,909**
Profit/(loss) attributable to members of the parent entity	-	(243,005)	-	-	(243,005)
Options expired	-	49,544	(49,544)	-	-
Total other comprehensive income	-	-	-	(487,114)	(487,114)
Sub total	-	(193,461)	(49,544)	(487,114)	(730,119)
Dividends paid or provided for	-	-	-	-	-
Balance at 30 June 2012	**70,338,778**	**(58,680,880)**	**2,528**	**(2,113,636)**	**9,546,790**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for year ended 30 June 2012

TECHNICHE LIMITED
and controlled entities

		CONSOLIDATED ENTITY	
	NOTE	Year ended 30 June 2012 $A	Year ended 30 June 2011 $A
Cash flows from operating activities			
Receipts from customers		**7,555,802**	8,643,289
Payments to suppliers and employees		**(6,977,624)**	(8,801,109)
Interest received		**10,159**	33,193
Income tax (paid)/received		**(240,494)**	34,710
Net cash provided by (used in) operating activities	21(b)	**347,843**	(89,917)
Cash flows from investing activities			
Proceeds from sale/disposal of controlled entity		**4,773**	1,371,003
Purchase of plant and equipment		**(9,200)**	(31,613)
Payment for subsidiaries net of cash acquired	23(b)	**-**	13,641
Net cash provided by (used in) investing activities		**(4,427)**	1,353,031
Net increase (decrease) in cash held		**343,416**	1,263,114
Effects of functional currency exchange rate changes		**(411,816)**	(197,800)
Cash at the beginning of the year		**2,497,448**	1,432,134
Cash at the end of the year	21(a)	**2,429,048**	2,497,448

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of Techniche Limited and controlled entities (the "consolidated group" or "group").

The separate financial statements of the parent entity Techniche Limited have not been presented within the financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 28 September 2012 by the directors of the company.

Note 1. Statement of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The entity is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherweise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Techniche Limited at the end of the reporting period. A controlled entity is any entity over which Techniche Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 23 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions)

Note 1. Statement of significant accounting policies (cont'd)

Business Combinations (cont'd)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is calculated as the excess of the sum of:

i. the consideration transferred;
ii. any non-controlling interest; and
iii. the acquisition date fair value of any previously held equity interest, over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of comprehensive income. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Refer to Note 15 for information on the goodwill policy adopted by the Group for acquisitions.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

b. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

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

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

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

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

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

Note 1. Statement of significant accounting policies (cont'd)

b. Income Tax (cont'd)

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

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

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

Tax Consolidation

Techniche Limited and its wholly-owned Australian controlled entities have decided not to implement the tax consolidation legislation that came into effect on 1 July 2003. At this stage a decision has been made not to enter the tax consolidation regime to 30 June 2012 and no decision has been made on whether the entity intends to implement the tax consolidation legislation in a future reporting period.

c. Inventories

Inventories are measured, where applicable, at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity.

d. Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation rate*
Plant and equipment	10% to 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Note 1. Statement of significant accounting policies (cont'd)

e. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sale of the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as "at fair value through profit or loss" in which case the transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. *Amortised cost* is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method.*

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

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

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Note 1. Statement of significant accounting policies (cont'd)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current assets

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative instruments

Techniche Limited and Controlled Entities designates certain derivatives as either:

i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
ii. hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the Group's risk management objective and strategy for undertaking various hedge transactions is documented. Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred to a hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

Amounts accumulated in the hedge reserve in equity are transferred to the statement of comprehensive income in the periods when the hedged item will affect profit or loss.

Fair value

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

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Note 1. Statement of significant accounting policies (cont'd)

De-recognition

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

f. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Investments in Associates

Associate companies are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the company. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post acquisition changes in the Group's share of net assets of the associated company. In addition the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

h. Intangibles (Other than Goodwill)

Intellectual property rights

Intellectual property rights acquired as part of a business combination are recognised separately from goodwill. Intellectual property rights are considered to have an indefinite life and are not amortised; instead they are tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. The intellectual property rights are carried at their fair value at the date of acquisition less impairment losses.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

Note 1. Statement of significant accounting policies (cont'd)

i. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

j. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Equity-settled compensation

The Group operates an equity-settled share-based payment key management personnel scheme. The fair value of the equity to which the key management personnel become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price.

Note 1. Statement of significant accounting policies (cont'd)

Equity-settled compensation (cont'd)

The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

k. Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

m. Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

n. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

Note 1. Statement of significant accounting policies (cont'd)

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

p. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

q. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates — impairment

The Group assesses impairment at each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using either value-in-use calculations or independent market valuation which incorporate various key assumptions.

No impairment has been recognised in respect of goodwill at the end of the reporting period. Should the projected turnover figures be materially outside of the budgetted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of goodwill at 30 June 2012.

Note 1. Statement of significant accounting policies (cont'd)

r. New Accounting Standards for Application in Future Periods

In the current year, the consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

– AASB 9: Financial Instruments (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applicable for annual reporting periods commencing on or after 1 January 2013).

  These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

  The key changes made to accounting requirements include:
  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
  - simplifying the requirements for embedded derivatives;
  - removing the tainting rules associated with held-to-maturity assets;
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
  - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
  - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The amendments are not expected to significantly impact the Group.

– AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

  This Standard makes amendments to AASB 112:

  Income Taxes and incorporates Interpretation 121: Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

  Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

  The amendments are not expected to significantly impact the Group.

Note 1. Statement of significant accounting policies (cont'd)

r. New Accounting Standards for Application in Future Periods (cont'd)

– AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011), AASB 128: Investments in Associates and Joint Ventures (August 2011) and AASB 2011–7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009–11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] (applicable for annual reporting periods commencing on or after 1 January 2013).
AASB 10 replaces parts of AASB 127: Consolidated and Separate Financial Statements (March 2008, as amended) and Interpretation 112: Consolidation – Special Purpose Entities. AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. The Group has not yet been able to reasonably estimate the impact of this Standard on its financial statements.
AASB 11 replaces AASB 131: Interests in Joint Ventures (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement). Joint ventures are required to adopt the equity method of accounting (proportionate consolidation is no longer allowed).
AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a "structured entity", replacing the "special purpose entity" concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group.
To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. These Standards are not expected to significantly impact the Group.

– AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 17, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).
AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.
AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are not expected to significantly impact the Group.

– AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] (applicable for annual reporting periods commencing on or after 1 July 2012).
The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

This Standard affects presentation only and is therefore not expected to significantly impact the Group.

– AASB 119: Employee Benefits (September 2011) and AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB101, AASB124, AASB134, AASB1049 & AASB 2011–8 and Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to accounting and presentation of defined benefit plans. The Group does not have any defined benefit plans and so is not impacted by the amendment.
AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of:

(i) for an offer that may be withdrawn – when the employee accepts;
(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and
(iii) where the termination is associated with a restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The amendments are not expected to significantly impact the Group.

	2012	2011
	$	$

Note 2. Revenue and other income

	2012	2011
Revenue from continuing operations		
sale of goods and services	**6,814,431**	7,111,657
Other income		
interest received from other persons	**10,159**	30,341
loan payable forgiven	**653,760**	-
cash dividend received from liquidator	**4,773**	-
unrealised foreign exchange gain	**219,208**	-
other operating revenues	**34,601**	84,077
	922,501	114,418
Revenue and other income from continuing operations	**7,736,932**	7,226,075
Revenue and other income from discontinued operations	-	698,549
Income from continuing operations and discontinued operations	**7,736,932**	7,924,624

Note 3. Profit for the year

Profit before income tax from continuing operations includes the following specific expenses

	2012	2011
Expenses		
- cost of sales - licences & subcontractors	**326,425**	745,430
- depreciation of plant & equipment	**55,953**	60,575
- impairment of intangible assets	**100,000**	134,102

Note 4. Auditor's remuneration

	2012	2011
Remuneration of the auditor of the parent entity for:		
auditing or reviewing the financial report	**47,605**	42,000
non audit services	-	3,750
	47,605	45,750
Remuneration of other auditors of subsidiaries for:		
auditing or reviewing the financial report of subsidiaries	**43,742**	76,157

Note 5. Parent entity financial information

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Accounting Standards

	2012 $	2011 $
Statement of Financial Position		
Current assets	**151,885**	838,388
Total assets	**14,249,176**	10,647,810
Current liabilities	**53,392**	510,809
Total liabilities	**1,122,787**	510,809
Issued capital	**70,338,778**	70,338,778
Option reserve	**2,528**	52,072
Accumulated losses	**(57,214,917)**	(60,253,849)
Total equity	**13,126,389**	10,137,001
Statement of Comprehensive Income		
Profit/(loss) for the year	**2,989,387**	(456,657)
Total comprehensive income for the year	**2,989,387**	(456,657)

Financial guarantees
The Parent Entity has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Contingent liabilities
The Parent Entity did not have any contingent liabilities as at 30 June 2012 (2011 nil).

Commitments
At 30 June 2012 the Parent Entity had not entered into any contractual commitments for the acquisition of property plant and equipment (2011 nil).

Note 6. Earnings per share

		2012	2011
a.	**Reconciliation of earnings to profit or loss**		
	Earnings/(loss) used to calculate basic earnings/(loss) per share	**(243,005)**	740,232
	Earnings/(loss) used to calculate diluted earnings/(loss) per share	**(243,005)**	740,232
b.	**Weighted average number of ordinary shares**		
	Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	**223,592,656**	223,592,656
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive earnings per share	**223,592,656**	223,592,656
	Overall operations		
	Basic earnings/(loss) per share (cents per share)	**(0.11) cents**	0.33 cents
	Diluted earnings/(loss) per share (cents per share)	**(0.11) cents**	0.33 cents
	Earnings per share from continuing operations - Basic/Diluted	**0.23 cents**	0.12 cents
	Earnings/(loss) per share from discontinued operations – Basic/Diluted	**(0.34) cents**	0.21 cents
	Anti-dilutive options on issue not used in diluted earnings per share calculation	**500,000**	3,500,000
c.	**Net tangible assets per share**		
	Net amount	**2,311,279**	2,765,703
	Per share (cents)	**1.03**	1.24

Note 7. Income tax

		2012 $	2011 $
a.	**The components of income tax expense comprise:**		
	Current tax	**244,619**	298,084
	Deferred tax	-	-
	Under / (over) provided in prior years	-	-
		244,619	298,084
b	**The prima facie income tax expense on profit from ordinary activities**		
	Prima facie tax payable on profit from ordinary activities before income tax at 30%	**227,898**	180,545
	Add/(less) tax effect of:		
	(Non assessable) income / Non deductible expenses	**221,953**	319,421
		449,851	499,966
	Losses for which no deferred tax asset has been recognised	**(205,232)**	(201,882)
	Income tax expense	**244,619**	298,084
	Weighted average effective tax rate	**32.20%**	**51.99%**

There have been no significant changes to the income tax rates applied by the income tax authorities of the jurisdictions in which the Group operates. The upwards movement in the weighted average effective tax rate reflects a significantly higher proportion of the Group's profit being generated by jurisdictions where carried forward tax losses are not available to offset any income tax payable on profits generated in that jurisdiction.

		2012 $	2011 $
c.	**Tax losses:**		
	Unused tax losses for which no deferred tax asset has been recognised	53,671,082	56,280,241
	Potential tax benefit at 30%	16,101,325	16,884,072

All unused tax losses above were incurred by Australian entities. Deferred tax assets in respect of the above unused tax losses have not been brought to account at year end, as the benefits will only be realised if it is probable that future tax profits will be available against which deductible losses can be utilised.

These benefits will only be obtained if –

(i) the Group derives future assessable income of a nature and of an amount sufficient to enable benefit from the deduction for the loss to be realised;

(ii) the Group continues to comply with the conditions for deductibility imposed by law; and

(iii) no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

d. Tax consolidation legislation

Techniche Limited and its wholly-owned Australian controlled entities have decided not to implement the tax consolidation legislation as of 1 July 2003. At this stage a decision has been made not to enter the tax consolidation regime to 30 June 2012 and no decision on whether the entity intends to implement the tax consolidation legislation in a future reporting period has been made.

Note 8. Key management personnel

a. Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

Key Management person	*Position held*
John Derek Hamilton Wolton	Chairman, Non-executive Director
Karl Phillip Jacoby	Non-executive director
Robert John Shaw	Non-executive Director
Kevin Joseph Sheppard	Non-executive Director and Company Secretary
Donna Salvatore	Global CEO from 5 July 2011, contract ends 31 January 2013
Jeffrey Gerns	Group Financial Controller from 1 October 2011 contract ends 30 November 2012
Thomas Huben	Chief Executive Officer – ERST Technology GmbH
Malcolm Eric Railson	Managing Director – Urgent Technology Limited (to 18 November 2012)
Grahame Done	General Manager – Urgent Technology Limited (from 1 February 2012)
Jesse Klebba	President - Urgent Technology USA LLC
Christopher Robert Boys	CEO – EAP Australasia Pty Ltd, Urgent Technology Australasia Pty Ltd

b. Key management personnel remuneration

The totals of remuneration paid to key management personnel of the Company and the Group during the year are as follows:

	2012 $	2011 $
Short-term employee benefits	**1,015,492**	857,361
Post-employment benefits	**146,337**	278,513
Share-based payment	-	8,353
	1,161,829	1,144,227

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of key management personnel of the Group for the year ended 30 June 2012.

c. Options and rights holdings

Number of options held by key management personnel:

	Opening balance	Granted as remuner-ation	Exercised/ expired during year	Other changes during year	Closing balance	Vested during the year	Vested and exercis-able	Vested and unexer-cisable
2012								
J D H Wolton	**1,000,000**	-	**(1,000,000)**	-	-	-	-	-
K P Jacoby	**500,000**	-	-	-	**500,000**	-	**500,000**	-
R J Shaw	**1,000,000**	-	**(1,000,000)**	-	-	-	-	-
K J Sheppard	**1,000,000**	-	**(1,000,000)**	-	-	-	-	-
	3,500,000	-	**(3,000,000)**	-	**500,000**	-	**500,000**	-
2011								
J D H Wolton	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
K P Jacoby	500,000	-	-	-	500,000	-	500,000	-
R J Shaw	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
K J Sheppard	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
C R Boys	500,000	-	(500,000)	-	-	-	-	-
	4,000,000	-	(500,000)	-	3,500,000	3,000,000	3,500,000	-

Note 8. Key management personnel (cont'd)

d. Shareholding

The number of ordinary shares in Techniche Limited held during the financial year by key management

	Opening balance	Granted as remuneration	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
2012					
Directors					
J D H Wolton	**4,643,000**	**-**	**-**		**4,643,000**
K P Jacoby	**40,510,837**	**-**	**-**	**900,002**	**41,410,839**
R J Shaw	**4,700,000**	**-**	**-**		**4,700,000**
K J Sheppard	**8,979,760**	**-**	**-**		**8,979,760**
Other Key Management Personnel					
D M Salvatore	**-**	**-**	**-**	**954,104**	**954,104**
J Gerns	**-**	**-**	**-**	**150,000**	**150,000**
C R Boys	**3,500,225**	**-**	**-**	**-**	**3,500,225**
	62,333,822	**-**	**-**	**2,004,106**	**64,337,928**
2011					
Directors					
J D H Wolton	4,256,478	-	-	386,522	4,643,000
K P Jacoby	40,510,837	-	-	-	40,510,837
R J Shaw	4,600,000	-	-	100,000	4,700,000
K J Sheppard	8,479,760	-	-	500,000	8,979,760
Other Key Management Personnel					
C R Boys	3,500,225	-	-	-	3,500,225
D A Coombes	1,000,000	-	-	(1,000,000)	-
M A Waite	4,320,206	-	-	(4,320,206)	-
	66,667,506	-	-	(4,333,684)	62,333,822

Note 9. Share based payments

a. Current year

No options granted

b. Previous year

No options granted

Note 10. Cash and cash equivalents

	2012 $	2011 $
Cash at bank and on hand	**2,429,048**	921,683
Short term bank deposits	**-**	1,575,764
	2,429,048	2,497,447

The effective interest rate on short-term bank deposits was between 0.0% and 4.75% (2011: between 0.0% and 4.25%).

Note 11. Trade and other receivables

	2012 $	2011 $
Current		
Trade receivables	**1,030,973**	1,422,918
Provision for impairment	**(7,798)**	(9,888)
	1,023,175	1,413,030
Other receivables	**2,853**	100,617
	1,026,028	1,513,647

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Group is considered to be related to the class of assets described as Trade and other receivables.

On a geographic basis, the Group has significant credit risk exposures to the UK and Europe, the USA and Australia based on the customer base of the business units and in the case of Urgent its geographic spread. The Group's exposure to credit risk for receivables at reporting date to those regions is as follows.

	2012 $	2011 $
Europe	**433,306**	1,171,908
United Kingdom	**320,897**	-
United States of America	**166,752**	-
Australia	**105,073**	341,739
	1,026,028	1,513,647

Provision for impairment of receivables

Current trade receivables are non-interest bearing loans and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening balance $	Charge for year $	Provision no longer required $	Closing balance $
2012				
Provision for impairment	**9,888**	**7,798**	**(9,888)**	**7,798**

Credit Risk – trade and other receivables

The following table details the Group's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

		Gross $	Past due and impaired $	Past due but not impaired (days overdue) < 30 days $	31 - 60 days $	61 - 90 days $	> 90 days $	Within trade terms $
	2012							
Trade receivables		**1,030,973**	-	**160,548**	**51,040**	**38,149**	**141,956**	**639,280**
Other receivables		**2,853**	-	-	-	-	-	**2,853**
		1,033,826	-	**160,548**	**51,040**	**38,149**	**141,956**	**642,133**
	2011							
Trade receivables		1,413,030	-	145,730	42,219	58,939	128,366	1,037,776
Other receivables		100,617	-	-	-	-	-	100,617
		1,513,647	-	145,730	42,219	58,939	128,366	1,138,393

Neither the Group nor the parent entity holds any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

	2012	2011
	$	$

Note 12. Inventories

	2012	2011
Work in progress	**6,921**	-

Note 13. Other assets

	2012	2011
Current		
Prepayments	**139,846**	129,878
Security deposits	**23,203**	-
	163,049	129,878

Note 14. Property plant & equipment

	2012	2011
Plant and equipment at cost	**335,259**	352,522
Accumulated depreciation	**(257,236)**	(227,746)
	78,023	124,776

Movement in carrying amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and end of the current financial year

Plant and equipment	2012	2011
Balance at 1 July	**124,776**	226,107
Additions	**9,200**	31,613
Discontinued operations	-	(72,369)
Depreciation expense	**(55,953)**	(60,575)
Balance at 30 June	**78,023**	124,776

	2012	2011
	$	$

Note 15. Intangible assets

	2012 $	2011 $
Goodwill		
Cost	**2,640,626**	2,911,432
Net carrying value	**2,640,626**	2,911,432
Intellectual property rights		
Cost	**4,964,833**	4,869,723
Amortisation	**(369,948)**	(269,948)
	4,594,885	4,599,775
Total Intangible assets	**7,235,511**	7,511,207

Movement in carrying amounts
Movement in the carrying amounts of each class of intangible asset between the beginning and end of the current financial year

	2012 $	2011 $
Goodwill		
Balance at 1 July	**2,911,432**	3,839,133
Disposal discontinued operation	**(13,526)**	(745,907)
Foreign currency revaluation	**(257,280)**	(181,794)
Balance at 30 June	**2,640,626**	2,911,432
Intellectual property rights		
Balance at 1 July	**4,599,775**	5,294,740
Acquisition through business combination	-	369,948
Foreign currency revaluation	**95,110**	(794,965)
Amortisation charge	**(100,000)**	(269,948)
Balance at 30 June	**4,594,885**	4,599,775

Intangible assets, other than goodwill, have indefinite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income. Goodwill has an infinite life.

Impairment disclosures
Goodwill is allocated to cash generating units which are based on the Group's reporting segments.

	2012 $	2011 $
ERST Technology GmbH	**2,640,626**	2,897,906
Other	-	13,526
Total	**2,640,626**	2,911,432

The recoverable amount of each cash-generating unit above is determined based on the higher of fair value less costs to sell and value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a five year period. The growth rate does not exceed the long-term average growth rate for the business in which the cash generating unit operates.

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical data to project revenues, costs and net profit positions before management fees for the relevant reporting segment.

	2012	2011
	$	$

Note 16. Trade and other payables

	2012 $	2011 $
Current		
Trade payables	**170,301**	74,934
Sundry payables and accrued expenses	**418,454**	547,685
Unearned revenue	**460,358**	367,965
	1,049,113	990,584

Note 17. Tax receivables and payables

	2012 $	2011 $
Current liabilities		
German income tax payable	**102,922**	101,559
United Kingdom income tax payable	**17,600**	14,838
	120,522	116,397

Note 18. Provisions

	2012 $	2011 $
Short term employee entitlements		
Balance at 1 July	**31,368**	130,968
Additional provisions	**97,709**	455
Discontinued operations	-	(79,972)
Amounts used	**(44,049)**	(20,083)
Balance at 30 June	**85,028**	31,368
Provision for dividends	-	279,491
Other provisions	**80,489**	29,999
Total current provisions	**165,517**	340,858
Long term employee benefits		
Balance at 1 July	**52,208**	30,084
Additional provisions	**10,073**	22,124
Unused amounts reversed	**(5,643)**	-
Balance at 30 June	**56,638**	52,208
Analysis of total employee provisions		
Current	**85,028**	31,368
Non-current	**56,638**	52,208
	141,666	83,576

Provision for long term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1(j) to this report.

Note 19. Capital and leasing commitments

Operating lease commitments

Non cancellable operating leases contracted for but not capitalised in the financial statements.

	2012 $	2011 $
Payable – minimum lease payments:		
- Not later than one year	**231,968**	254,039
- Later than one year but not later than five years	**81,106**	231,703
	313,074	485,742

Note 20. Operating segments

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and in determining the allocation of resources.

During the 2012 financial year there was a change in direction as the the expansion by the Urgent group of companies into a global marketplace gathered pace. There was a reallocation of contractual arrangements from the United Kingdom to the US and Australian regions. Erst GmbH continued to proceed on a stand alone basis and the change from geographic to business units has merely changed the segment name from Germany to Erst. The group has identified the level of intra segment trading as there is a considerable degree of integration emerging in the Urgent businesses which provide a range of support and sales to other group operating companies. The EAP business is a stand alone business although it shares management resources with Urgent Technology Australasia Pty Ltd. The corporate segment represents the cost of providing management resources to group entities in furtherance of Techniche Ltd strategy to take emerging technology businesses to a new level which is a springboard for technical innovation and growth and crystallisation of market value.

The following is an analysis of the revenue and results for the periods ending 30 June 2012 and 30 June 2011, analysed by business segment, which has become Techniche Limited's primary basis of segmentation both in relation to its current business units and further acquisitions where such operations demonstrate a degree of independence from other business units.

Basis of accounting for purposes of reporting by operating segments

a. Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

b. Inter-segment transactions

An internally determined transfer price is set for all inter-segment sales. This price is re-set regularly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation for the Group's financial statements.

Corporate charges are allocated to reporting segments based on the segments overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs. If intersegment loans receivable and payable are not on commercial terms, these are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

c. Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives the majority of economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

d. Operating Segments identified

Urgent - Includes operations of Urgent Technology Limited domiciled in the UK, other operating entities located in USA, India and Australia.

ERST – Represents the operations of Erst GmbH, domiciled in Germany and carrying on business in Europe.

EAP is the business conducted in Australia and New Zealand involving the licencing of Mega software under a licencing arrangement with a French company.

Corporate covers the parent entity and Techniche Holdings USA Inc and other subsidiaries located in Australia.

e. Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables, tax related liabilities and certain direct borrowings.

Notes to the Financial Statements

for year ended 30 June 2012

Note 20. Operating segments (cont'd)

	ERST GmbH		Urgent Group		EAP Mega		TCN Corporate		Discontinued operations		Total	
	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $
External sales	3,049, 455	3,155, 264	3,110, 728	3,258, 950	654, 247	688, 741	-	8,703	-	695, 698	6,814, 430	7,807, 356
Intra segment sales	-	-	562, 311	339, 442	-	-	-	-	-	-	562, 311	339, 442
Inter-segment sales	-	651	355, 085	95, 739	15, 000	-	1,675, 135	1,067, 934	-	-	2,045, 220	1,164, 324
Segment sales revenue	3,049, 455	3,155, 915	4,028, 124	3,694, 131	669, 247	688, 741	1,675, 135	1,076, 637	-	695, 698	9,421, 961	9,311, 122
Other revenue	44, 995	40, 394	858	19, 725	967	1,064	1,096, 368	522, 232	-	2,851	1,143, 188	670, 343
Total segment revenue reported by entity	3,094, 450	3,196, 309	4,028, 982	3,713, 856	670, 214	689, 805	2,771, 503	1,598, 869	-	698, 549	10,565, 149	9,981, 465
Reconciliation of segment revenue to group revenue												
Elimination entries for revenue on consolidation											(2,828,217)	(2,056,841)
External revenue from discontinued operations											-	(698,549)
Total revenue											7,736, 932	7,226, 075
Profit/(loss) with inter segment charges	723, 448	990, 684	(777,181)	(105,931)	(47,514)	(17,526)	872, 671	(86,976)	(758,041)	454, 991	13, 383	1,235, 242
Income tax expense	225, 718	283, 443	18, 901	14, 641	-	-	-	-	-	-	244, 619	298, 084
Segment result after tax	497, 730	707, 241	(796,082)	(120,572)	(47,514)	(17,526)	872, 671	(86,976)	(758,041)	454, 991	(231,236)	937, 158
Intra group charges	638, 032	602, 598	683, 588	349, 622	49, 479	40, 859	(1,382,868)	(1,025,001)	-	10, 000	(11,769)	(21,922)
Intra group dividend	-	-	-	-	-			(175,004)	-	-	-	(175,004)
Total contribution after tax	1,135, 762	1,309, 839	(112,494)	229, 050	1,965	23, 333	(510,197)	(1,286,981)	(758,041)	464, 991	(243,005)	740, 232
Segment assets	2,628, 594	2,094, 518	6,346, 834	1,234, 674	379, 810	103, 420	15,687, 139	15,804, 352			25,042, 376	19,236, 964
Inter segment elimination	-	-	4,504, 940	-	-	-	9,598, 857	7,460, 007			14,103, 797	7,460, 007
Total consolidated assets	2,628, 594	2,094, 518	1,841, 894	1,234, 674	379, 810	103, 420	6,088, 282	8,344, 346			10,938, 579	11,776, 957
Segment liabilities	727, 539	523, 022	6,344, 115	782, 211	477, 684	153, 779	2,155, 879	4,948, 597			9,705, 217	6,407, 609
Inter segment elimination	213, 632	39, 742	5,835, 327	320, 655	169, 445	44, 945	2,095, 023	4,502, 221			8,313, 427	4,907, 563
Total consolidated liabilities	513, 907	483, 280	508, 788	461, 556	308, 239	108, 834	60, 856	446, 376			1,391, 790	1,500, 046
Depreciation/amortisation expense	16, 854	20, 198	29, 647	32, 299	9,453	8,078	-	-			55, 954	60, 575
Impairmant intangibles	-	-	-	-	-	-	100, 000	134, 102			100, 000	134, 102
Acquisition of plant	-	(21,489)	-	(26,340)	-	-	(9,200)	400, 908			(9,200)	353, 079

Note 21. Cash flow information

	2012	2011
	$	$

(a) Reconciliation of cash

For the purpose of the Consolidated Statement of Cash Flows cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the period as shown in the Consolidated Statement of Cash Flows is reconciled as follows:

	2012 $	2011 $
Cash at bank and on hand	**2,429,048**	1,817,736
Short term bank deposits	**-**	679,712
	2,429,048	2,497,448

(b) Reconciliation of cash flows from operations with profit after income tax

	2012 $	2011 $
Profit after income tax	**(243,005)**	740,232
Non cash flows in profit/(loss):		
Gain on loan forgiven	**(653,760)**	-
Loss on impairment of intangible assets	**100,000**	134,102
Depreciation	**55,953**	66,083
(Gain) / loss on deconsolidation of subsidiary	**758,047**	(566,255)
Share of (profit)/loss of associate	-	(5,976)
Share based payments	-	8,353
Unrealised foreign exchange (gains) / losses	**(8,664)**	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**487,619**	714,972
(Increase)/decrease in inventories	**(6,921)**	75,230
(Increase)/decrease in other current assets	**(33,170)**	(25,254)
(Increase)/decrease in current tax assets	-	216,397
Decrease/(increase) in payables	**58,529**	(1,596,692)
Decrease/(increase) in provisions	**(170,910)**	32,494
Decrease/(increase) in current tax liabilities	**4,125**	116,397
Cash flows from operations	**347,843**	(89,917)

Note 22. Issued capital

	2012 Number	2011 Number	2012 $	2011 $
a. Ordinary shares				
At the beginning of the reporting period	**223,592,656**	223,592,656	**70,338,778**	70,338,778
At reporting date	**223,592,656**	223,592,656	**70,338,778**	70,338,778
Fully paid	**223,592,656**	223,592,656	**70,338,778**	70,338,778

b. Issuances and forfeitures of equity securities

Current financial year

No movement

Previous financial year

No movement

c. Options

For information relating to share options issued to key management personnel during the financial year refer to Note 26 Share-based payments.

d. Capital management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group includes cash and cash equivalents, equity attributable to equity holders, comprising of contributed equity and accumulated losses. In order to maintain or adjust the capital structure, the Group may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the Group.

The Group monitors capital on the basis of cash flow requirements for operational and financing activities. The Group's exposure to borrowings as at 30 June 2012 is Nil (2011: Nil).

The Group's strategy towards capital risk management is unchanged from prior years.

Note 23. Controlled Entities

a. The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1.

	Country of incorporation	Percentage owned *	
		2012	2011
Subsidiaries of Techniche Limited:		%	%
Techniche Holdings USA Inc	USA	100	100
ERST International Pty Ltd	Australia	100	100
EAP Australasia Pty Ltd	Australia	100	100
TVPC International Pty Ltd	Australia	100	100
Abacus Data Systems Pty Ltd	Australia	-	100
ERST European Retail Systems Technology GmbH	Germany	100	100
Urgent Technology Limited	UK	100	100
Urgent Technologies USA LLC	USA	100	100
Urgent Technologies Australia Pty Ltd	Australia	100	100
Urgent Technology Private Limited	India	100	100

** Percentage of voting power is in proportion to ownership*

b. Acquisition of controlled entities – TVPC International Pty Ltd

Details of entity acquired	TVPC International Pty Ltd
Principal activity	Ownership of proprietary software
Date of acquisition	28 February 2011 (remaining 50% of issued capital)
Proportion of shares acquired	50%
Cost of acquisition	$45,000

	Pre-acquisition carrying amounts	Fair value adjustment	Recognised values on acquisition
Cash and cash equivalents	58,641	-	58,641
Intangible assets	234,102	-	234,102
Prepayments	77	-	77
Trade and other payables	(200,000)	-	(200,000)
Other creditors	(2,820)	-	(2,820)
Net identifiable assets and liabilities	90,000	-	90,000
Consideration paid:			
Consideration paid for 50% of shares			45,000
Carrying value of investment pre-acquisition (refer note 12(c))			45,000
Total consideration			90,000
Goodwill on acquisition			-
Cash acquired			58,641
Less consideration paid			(45,000)
Net cash inflow			13,641

Note 23. Controlled Entities (cont'd)

c. Disposal of controlled entity

In February 2012, the Consolidated Entity resolved to liquidate the business of a subsidiary, Abacus Data System Pty Ltd, thereby discontinuing its operations. The company was placed in members' voluntary liquidation on 8 May 2012 and the administration was finalised in July 2012 following an in specie distribution of assets before the end of the financial year.

On 29 July 2010, the Consolidated Entity announced its decision to dispose of a subsidiary, Prologic Pty Ltd, thereby discontinuing its operations as part of the Group. The company and its business were sold on effective 31 August 2010.

Financial information relating to the discontinued operations is set out below.

The financial performance of the discontinued operations to the date of sale, which is included in profit/(loss) in the statement of comprehensive income is as follows:

	Consolidated Entity					
	ABACUS 2012 $	PROLOGIC 2012 $	TOTAL	ABACUS 2011 $	PROLOGIC 2011 $	TOTAL
Revenue	-	-	-	-	698,549	698,549
Expenses	**(3,891)**	-	**(3,891)**	(28,492)	(799,813)	(828,305)
Loss before income tax	**(3,891)**	-	**(3,891)**	(28,492)	(101,264)	(129,756)
Income tax expense	-	-	-	-	-	-
Loss attributable to members of parent entity	**(3,891)**	-	**(3,891)**	(28,492)	(101,264)	(129,756)
Profit (loss) on liquidation/sale before income tax	**(754,156)**	-	**(754,156)**	-	566,255	566,255
Income tax expense	-	-	-	-	-	-
income tax	**(754,156)**	-	**(754,156)**	-	566,255	566,255
Profit / (loss) after tax attributable to the discontinued operations	**(758,047)**	-	**(758,047)**	(28,492)	464,991	436,499

The net cash flows of the discontinued division which have been incorporated into the statement of cash flows are as follows:

	2012 $	2011 $
Net cash inflow / (outflow) from operating activities	**(3,891)**	(160,435)
Net cash inflow / (outflow) from investing activities	-	(59,337)
Net cash inflow / (outflow) from financing activities	-	82,102
Net cash generated (used) by the discontinued division	**(3,891)**	(137,670)

Note 24. Contingent liabilities

The Group had no contingent liabilities at the end of the reporting period.

Note 25 Reserves

a. Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

b. Option reserve

The option reserve records items recognised as expenses on valuation of employee share options.

Note 26. Share based payments

a. Current year

No options granted

b. Previous year

On 19 November 2009, share options were granted to directors John Wolton, Robert Shaw and Kevin Sheppard (or their nominees), to subscribe for 3,000,000 ordinary shares at an exercise price of $0.09 each. The options expired on 30 November 2011 without any option having been exercised. It is noted that the only remaining options are those issued to Karl Jacoby on 20 November 2009 and those options expire on 31 October 2012.

The options hold no voting or dividend rights and are not transferable. At reporting date these options had not been exercised.

c. Summary

	2012		2011	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Outstanding at the beginning of the year	**3,500,000**	**0.076**	4,000,000	0.101
Granted	-	-	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	**(3,000,000)**	**0.09**	(500,000)	0.276
Outstanding at year end	**500,000**	**0.12**	3,500,000	0.076
Exercisable at year end	**500,000**	**0.12**	3,500,000	0.076

There were no options exercised during the year ended 30 June 2012.

The options outstanding at 30 June 2012 had an exercise price of $0.12 and a remaining contractual life of 4 months.

Last Exercise/Expiry Date	Options Granted No	Average Exercise Price $
31-Oct-12	**500,000**	0.1021
	500,000	**0.0764**

The weighted average fair value of the options granted during the year was Nil (2011 Nil)

The value in 2010 was calculated by using a Black-Scholes option pricing model applying

Weighted average exercise price	$0.09
Weighted average life of the option	2.03 years
Underlying share price	$0.09
Expected share price volatility	60.00%
Risk free interest rate	4.25%

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future trends, which may not eventuate. The life of the options is based on the historical exercise patterns, which may not eventuate in the future. Included under options expenses in the statement of comprehensive income is $nil (2011: $8,353) and relates in full to equity-settled share-based payment transactions.

Note 27. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable, loans to and from subsidiaries and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows.

	2012 $	2011 $
Financial assets		
Cash and cash equivalents	**2,429,048**	2,497,448
Loans and receivables	**1,026,028**	1,513,647
	3,455,076	4,011,095
Financial liabilities		
Trade and other payables	**1,049,113**	990,584

Specific financial risk exposure and management

The main risks the Group is exposed to through its financial instruments are liquidity risk, foreign currency risk, credit risk and price risk.

a. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- maintaining a reputable credit profile
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect the undiscounted contractual maturity for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the statement of financial position.

Note 27. Financial risk management (cont'd)

a. Liquidity risk (cont'd)

Financial assets and liabilities maturity analysis

	Effective Interest Rate		Within 1 year		1 to 5 years		Total	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
	%	**%**	**$**	**$**	**$**	**$**	**$**	**$**
Financial Assets								
Cash and cash equivalents	1.15	1.48	**2,429,048**	2,497,448	-	-	**2,429,048**	2,497,448
Receivables	-	-	**1,026,028**	1,513,647	-	-	**1,026,028**	1,513,647
			3,455,076	4,011,095	-	-	**3,455,076**	4,011,095
Financial Liabilities								
Trade and other payables	-	-	**1,049,113**	990,584	-	-	**1,049,113**	990,584
Net (outflow)/inflow on financial instruments			**2,405,963**	3,020,511	**-**	-	**2,405,963**	3,020,511

Net financial assets/(liabilities) in AUD

	AUD	EURO	GBP	USD	Rupee	Total AUD
2012						
Functional currency of Group						
Australian Dollars	**113,472**	-	-	-	-	**113,472**
Euros	-	**1,549,449**	-	-	-	**1,549,449**
Great Britain Pounds	-	-	**534,242**	-	-	**534,242**
United States Dollars	-	-	-	**198,139**	-	**198,139**
Indian Rupees	-	-	-	-	**10,661**	**10,661**
Balance sheet exposure	**113,472**	**1,549,449**	**534,242**	**198,139**	**10,661**	**2,405,963**
Year end exchange rate		0.8092	0.6529	1.0191	51.78	
2011						
Functional currency of Group						
Australian Dollars	197,065	-	-	-	-	197,065
Euros	-	2,042,019	-	-	-	2,042,019
Great Britain Pounds	-	-	747,532 -			747,532
United States Dollars	-	-	-	9,368		9,368
Indian Rupees	-	-	-		24,527	24,527
Balance sheet exposure	197,065	2,042,019	747,532	9,368	24,527	3,020,511
Year end exchange rate		0.7405	0.6667	1.0739	48.04	

Note 27. Financial risk management

b. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 45 days from the date of invoice.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the directors have otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk is managed at subsidiary level and reviewed regularly by the directors. It arises from exposure to customers. Each entity monitors credit risk by actively assessing the rating quality of counter parties with all potential customers rated for credit worthiness taking into account their size, market position and financial standing.

Credit risk related to balances with banks and other financial institutions is managed in accordance with approved Board policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P counterparty credit ratings.

	2012 $	2011 $
Cash and cash equivalents		
- AA Rated	**1,586,468**	1,218,681
- A Rated	**842,580**	1,278,767
	2,429,048	2,497,448

Net fair values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The net fair values of:

Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.

Other assets and Other liabilities approximate their carrying values.

Sensitivity analysis

The following table illustrates sensitivities to the Consolidated Entity's exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

		Profit $	Equity $
+/- 100 bps in interest rates			
	2012	**2,592**	**2,592**
	2011	24,967	24,967
Strengthening of AUD against other currencies by 10%			
	2012	**(57,271)**	**(965,938)**
	2011	(75,823)	(935,171)

Note 28. Related party transactions

Techniche Limited is the ultimate parent entity in the group comprising the Company and its wholly owned controlled entities. Transactions between the Company and its controlled entities have been eliminated in the consolidated financial statements.

The aggregate amounts of transactions between the Company and its controlled

- Loans between the Company and its controlled entities are unsecured
- Service fees charged by the Company to its controlled entities are for
- Inter entity licence fees are charged for the use of intellectual property

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

	2012 $	2011 $
Key management personnel		
Accounting, consulting and secretarial fees paid to SHC Business Services. Director and Company Secretary KJ Sheppard has a significant influence over SHC Business Services.	**98,944**	73,333
Rent paid to Jacoby Group Pty Ltd for former principal place of business	-	32,760

Note 29. After balance date events

After balance date the board implemented a plan to distinguish between the Head Office function and management of business units on a local level. With the appointment of WavePoint it was seen that there needed to be a strengthening of local management responsibility for day to day operations. The location of a Corporate Office in Chicago had been intended to take the Urgent business to the US market. While this strategy was successful and had positioned the business for its ongoing expansion in the lucrative US market, the Board found that a number of shareholders were keen to see some realisation of value from existing businesses to provide a platform for further strategic acquisitions or alternatively implement a partial return of capital. As part of this reorganisation Donna Salvatore and Feff Gerns were reassigned to a role assisting in the M&A process working with WavePoint. Chris Reid who had previously been retained as a consultant, was appointed Group Financial Controller to oversee the accounting from Australia. The Board may extend the period that Donna and Jeff work for the group past the termination of their employment contracts as consultants if this will advance the WavePoint assignment.

Apart from the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 30 Company details

The registered office and principal place of business of Techniche Limited in Australia of the company is:

c/ - Sheppard Hanson & Co
Shop D, 1181 Wynnum Road
Cannon Hill QLD 4170

Other places of business are:

Techniche Holdings USA Inc
155 North Wacker Drive, Suite 4250,
Chicago, Illinois USA 60606

Abacus Data Systems Pty Ltd
ERST International Pty Ltd
TVPC International Pty Ltd
Shop D, 1181 Wynnum Road
Cannon Hill QLD 4170

EAP Australasia Pty Ltd
Urgent Technology Australia Pty Ltd
Level 9 45 William Street
Melbourne VIC 3000

ERST Technology GmbH
Högerdamm 39,
20097 Hamburg
Germany

Urgent Technology Limited
Sunningdale House, Caldecotte Lake Drive
Caldecotte, Milton Keynes, MK7 8LF
United Kingdom

Urgent Technology Private Limited
Plot No 59, 2nd Floor, Sector 18
Gurgaon 122001, Haryana
India

Directors' Declaration

Techniche Limited and Controlled Entities

The directors of the company declare that:

1 the financial statements and notes, as set out on pages 14 to 49, are in accordance with the *Corporations Act*

a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company and consolidated group;

2 the Chief Executive Officer and Chief Financial Officer have each declared that:

a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001* ;

b. the financial statements and notes for the financial year comply with Accounting Standards; and

c. the financial statements and notes for the financial year give a true and fair view.

3 in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as

This declaration is made in accordance with a resolution of the Board of Directors.

J D H Wolton
Chairman

K. P. Jacoby
Director

Brisbane, 28 September 2011

Independent Auditor's Report

To the Members of Techniche Limited

Report on the Financial Report

We have audited the accompanying financial report of Techniche Limited, which comprises the statements of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Opinion

In our opinion,

(a) the financial report of Techniche Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2012 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report (pages 9 to 12) forming part of the Directors' Report for the year ended 30 June 2012. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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Independent Auditor's Report

To the Members of Techniche Limited

lawler hacketts chartered accountants

In our opinion the Remuneration Report of Techniche Limited for the year ended 30 June 2012 complies with section 300A of the Corporations Act 2001.

Lawler Hacketts

Lawler Hacketts Audit

SJ Lindemann

SJ Lindemann
Partner

Brisbane, 28 September 2012

Shareholder Information
as at 3rd October 2012
TECHNICHE LIMITED AND CONTROLLED ENTITIES

The shareholder information set out below was applicable as at 3 October 2012.

a. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Number of equity securities held	Number of Investors	Number of Shares	% of Issued Capital
1 to 1,000	80	45,172	0.02%
1,001 to 5,000	103	302,040	0.14%
5,001 to 10,000	45	378,820	0.17%
10,001 to 100,000	252	9,497,017	4.25%
100,001 and over	143	213,369,607	95.43%
Total	623	223,592,656	100.00%

The number of security investors holding less than a marketable parcel of 15,152 shares ($500 - 3.3c per share transaction on 28 September 2012) is 268 and they hold 1,253,053 shares.

b. Equity security holders

The names of the twenty largest quoted equity securities are listed below:

Ordinary shares

	Name	Current Balance	% Issued Capital
1	Hooks Enterprises Pty Ltd (Hoeksema Superfund A/c)	31,400,000	14.04%
2	Jacoby Management Services Pty Ltd (Karl Jacoby Family	20,900,002	9.35%
3	Jacoby Management Services Pty Ltd (Superfund A/c)	20,510,837	9.17%
4	Durbin Superannuation Pty Ltd (Durbin Family S/F A/c)	7,770,000	3.48%
5	AWJ Family Pty Ltd (Angus W Johnson Family A/c)	6,250,000	2.80%
6	Robert James Pullar & Rebecca Anne Pullar (Robert Pullar	6,250,000	2.80%
7	Tappak Nominees Pty ltd (Sheppard Group Superfund A/c)	5,938,480	2.66%
8	George Edward Chapman	5,000,000	2.24%
9	Mr Robert Shaw & Mrs Maria Shaw (Shaw Group Super	4,700,000	2.10%
10	Mr John Wolton & Mrs Gwyneth Wolton (The Wolton Family	4,643,000	2.08%
11	Buratu Pty Ltd (Connolly Superfund A/c)	4,610,093	2.06%
12	USB Wealth Management Australia Nominees Pty Ltd	4,007,500	1.79%
13	Banjo Superannuation Fund Pty Ltd (PD Evans PSF A/c	3,813,229	1.71%
14	CFF Pty Ltd (Crommelin Family Found A/c)	3,783,003	1.69%
15	Peter Raymond Burnitt (Burnitt Family Superfund A/c)	3,661,920	1.64%
17	Mousquet Pty Ltd (The Mousquet Super Fund A/C)	3,500,225	1.57%
16	Ian Harvey Carey	3,399,654	1.52%
18	Geomar Superannuation Pty Ltd	3,186,094	1.42%
19	Mr Kevin Joseph Sheppard (Sheppard & Wells Super A/c)	3,041,280	1.36%
20	Zoom Zoom Pty Ltd	2,918,783	1.31%
	Total	**149,284,100**	66.77%

	Investors	Current Balance	% Issued Capital
Total of Top 20 Holders	20	149,284,100	66.77%
Total Other Investors	603	74,308,556	33.23%
Total Shares on Issue	623	223,592,656	100.00%

c. Substantial holders

Substantial holders (holding above 5%) in the company are set out below:

	Number held	Percentage
Ordinary shares		
Hooks Enterprises Pty Limited (Hoeksema Super Fund)	31,400,000	14.04%
Jacoby Management Services Pty Ltd (Karl Jacoby Family)	20,900,002	9.35%
Jacoby Management Services Pty Ltd (Superfund)	20,510,837	9.17%

d. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(i) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(ii) Options
No voting rights.

e. Stock Exchange Listing

Quotation has been granted for all the ordinary fully paid shares of the company on the Australian Securities Exchange.

f. Unquoted Securities

8,000,000 options have been granted to key management personnel. 7,500,000 of those had expired by 30 June 2012 and were not exercised.

Options over Unissued Shares

A total of 500,000 options are on issue. This parcel of 500,000 options is on issue to Karl Jacoby.

Introduction

The Company is committed to maintaining high standards of corporate governance appropriate to its size and operations to effectively manage risk, improve performance and enhance corporate responsibility. The Board is responsible for the corporate governance of the Company and its controlled entities. The Board carries out its responsibilities within a framework of corporate governance structures to create value, through entrepreneurialism, innovation and development, and provide accountability and control systems commensurate with the risks involved.

Unless specifically stated otherwise, the Directors believe the Company complies with the core principles and underlying recommendations of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations.

The reference documents (unless indicated) are available for public inspection on the Company's website: www.tcnglobal.net.

		Refer
Principle 1	**Lay solid foundations for management and oversight** ***Establish and disclose the respective roles and responsibilities of board and management***	
Recommendation 1.1	**Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions**	
Response	The Board has adopted a Board Charter which outlines the responsibilities and duties of the Board, as well as separate role statements for the Chairman and Managing Director. The Board has delegated certain functions to senior executives but remains ultimately responsible for: • Nomination and appointment of directors, membership and role of board subcommittees, assessment of board performance and director • Appointment, remuneration and assessment of performance of the Managing Director and other senior executives; • Corporate Governance matters, including frequency and agendas of Board and Committee meetings, and the appointment of the Company Secretary; • Matters pertaining to shareholders including meeting, communications and relations; • Monitoring of Company performance; • Continuous disclosure policy, including approval of annual reports and accounts; • Capital management, including issues, calls on, forfeiture of shares, declaration of dividends and share buy-backs; • Director's interests, conflicts of same and related-party transactions; • Delegation of powers and authorities; • Mergers, acquisitions, restructures and divestments; and • Approval of Company policies.	Board Charter
Recommendation 1.2	**Companies should disclose the process for evaluating the performance of senior executives**	
Response	Techniche has a performance evaluation process which establishes objectives, key result areas and key performance indicators for all senior executives. Underpinning this approach is the belief that performance planning and regular performance reviews constitute sound business practice. The Chairman undertakes Board evaluations annually, considering dimensions the Board believes are relevant to the Company, and the industry within which it operates.	
Recommendation 1.3	**Companies should provide the information indicated in the Guide to reporting on Principle 1**	
Response	Senior executives are responsible for the day to day operations of the Company within the policy parameters determined by the Board. Formal performance evaluations have been undertaken for the Managing Director and senior executives during the current financial year in accordance with Company policy. Induction programs are undertaken for all new senior executive appointments.	

		Refer
Principle 2	**Structure the board to add value** ***Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties***	
Recommendation 2.1	**A majority of the board should be independent directors**	
Response	As a small market capitalisation company, it is important that Techniche has a board of an appropriate size. The Board believes that four is the appropriate number of directors for the Company at its current size and that the existing directors have the necessary skills and industry knowledge. To add additional directors at this stage would increase the Board's size beyond what is currently regarded as appropriate and would unnecessarily increase costs. The Directors considered by the Board to constitute independent directors are identified in the Directors' Report. The Company presently has three Non-executive directors, all of whom, including the Chairman, are considered by the Board to be independent in terms of the ASX Corporate Governance Council's definition of an independent director. The Managing Director is an Executive director of the Company. The Board is accordingly comprised of a majority of independent directors.	Board Charter
Recommendation 2.2	**The chair should be an independent director**	
Response	The Chairman is an independent director. The Chairman is responsible for leadership of the board and for the efficient organisation and conduct of the Board's functioning. The Chairman facilitates the effective contribution of all directors and promotes constructive and respectful relations between the Board and senior executives.	Board Charter
Recommendation 2.3	**The roles of the chair and chief executive officer should not be exercised by the same individual**	
Response	The roles of Chairman and Managing Director are separated ensuring the division of responsibility at the head of the Company.	Board Charter
Recommendation 2.4	**The board should establish a nomination committee**	
Response	The Board believes that four is the appropriate number of directors for the Company at its current size. It is considered that a nomination committee is not required as there is no expectation that an increase in board membership will be required in the short term.	
Recommendation 2.5	**Disclose the process for evaluating the performance of the board, its committees and individual directors**	
Response	Each committee of the Board has its own charter from which key result areas and key performance indicators have been developed. The process for evaluation against these objectives has been by way of self-assessment, with reporting to the Board for further review.	
Recommendation 2.6	**Companies should provide the information indicated in the Guide to reporting on Principle 2** • **The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report**	
Response	This information is provided in the Directors' Report. All directors have an understanding of Techniche's business. The Board considers the Directors' diverse range of skills and experience is appropriate to discharge it responsibilities and duties.	Directors' Report

		Refer
Principle 2 (cont'd)	**Structure the board to add value**	
	• **The names of the directors considered by the board to constitute independent directors and the company's materiality thresholds**	
Response	This information is provided in the Directors' Report. The Company's Board Charter identifies the criteria used to determine director independence	Directors' Report
	• **A statement as to whether there is a procedure agreed by the board for directors to take independent professional advice at the expense of the Company**	
Response	Independent directors have the right to seek independent professional advice in the furtherance of their duties. The Chairman must give prior approval to the obtaining of advice and the Company will meet the reasonable costs of such advice.	Board Charter
	• **The period of office held by each director in office at the date of the annual report**	
Response	This information is provided in the Directors' Report	Directors' Report
	• **The names of members of the nomination committee and their attendance at meetings of the committee, or where a company does not have a nomination committee, how the functions of a nomination committee are carried out**	
Response	The functions of a nomination committee are carried out by the Board following recommendations from the Chairman and Managing Director.	
	• **Whether a performance evaluation for the board, its committees and directors has taken place in the reporting period and whether it was in accordance with the process disclosed**	
Response	Performance evaluations have been satisfactorily undertaken for the Board, the Audit Committee and the Remuneration Committee during the current financial year in accordance with Company policy.	

		Refer
Principle 3	**Promote ethical and responsible decision-making** ***Actively promote ethical and responsible decision-making***	
Recommendation 3.1	**Companies should establish a code of conduct and disclose the code or a summary of the code as to:** • **the practices necessary to maintain confidence in the company's integrity** • **the practices necessary to take into account their legal obligations and the reasonable** • **expectations of their stakeholders** • **the responsibility and accountability of individuals for reporting and investigating reports of unethical practices**	
Response	The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct. A code of conduct has been established requiring the Directors and employees • act honestly and in good faith; • exercise due care and diligence in fulfilling the functions of office; • avoid conflicts and make full disclosure of any possible conflicts of interest; • comply with the law; • encourage the reporting and investigating of unlawful and unethical behaviour; and • comply with the share trading policy outlined in the Code of Conduct. Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.	Code of Conduct
Recommendation 3.2	**Companies should establish a policy concerning trading in company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy**	
Response	The Board has a Securities Trading Policy which regulates dealings in Techniche securities and securities of any other entity that may be affected by insider information. Directors and senior executives (including in certain circumstances associates of Directors and senior executives) may trade in Techniche securities: • In the period beginning from the lodgement of the Company's half year and annual profit announcements with the ASX and concluding 30 days after that lodgement subject to continuous disclosure requirements; and • At any other time with the prior unanimous approval of the Board. Approval will not be given when Directors have access to potentially price sensitive information not yet disclosed to the market.	Securities Trading Policy Board Charter Code of Conduct
Recommendation 3.3	**Companies should provide the information indicated in the Guide to reporting on Principle 3**	
Response	Techniche's Code of Conduct and Securities Trading Policy are available on the Company's website (Investor Information Section).	

		Refer
Principle 4	**Safeguarding integrity in financial reporting** ***Have a structure to independently verify and safeguard the integrity of their financial reporting***	
Recommendation 4.1	**The board should establish an audit committee**	
Response	The Board has established an Audit Committee.	Audit Committee Charter
Recommendation 4.2	**The audit committee should be structured so that it:** • **consists only of non-executive directors** • **consists of a majority of independent directors** • **is chaired by an independent chair, who is not chair of the board** • **has at least three members**	
Response	The Board considers that given the size of the Company it is appropriate to have an Audit Committee consisting of two independent non-executive directors.	Audit Committee Charter
Recommendation 4.3	**The audit committee should have a formal charter**	
Response	The Audit Committee has a formal charter which sets out its roles, responsibilities, membership, meeting process and performance evaluation requirements. The charter incorporates policies and procedures to ensure the truthful and factual presentation of the Company's financial position. The Audit Committee reviews and recommends the approval of the Company's half year and full year financial statements. It also reviews the effectiveness of administrative, operating and accounting controls.	Audit Committee Charter
Recommendation 4.4	**Companies should provide the information indicated in the Guide to reporting on Principle 4** • **The names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee** • **The number of meetings of the Audit Committee**	
Response	This information is provided in the Directors' Report.	Directors' Report
	• **Procedures for the selection and appointment of the external auditor, and the rotation of external audit engagement partners.**	
Response	The Audit Committee is responsible for recommending the appointment and dismissal of external auditors. The procedures for the appointment of an external auditor are outlined in the Audit Committee Charter. No Director has any association, past or present, with Techniche's external auditor.	Audit Committee Charter

		Refer
Principle 5	**Make timely and balanced disclosure** ***Promote timely and balanced disclosure of all material matters concerning the company***	
Recommendation 5.1	**Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies**	
Response	The Board has adopted a Continuous Disclosure Policy to ensure Techniche complies with its disclosure obligations under ASX Listing Rules and the Corporations Act. Techniche's Continuous Disclosure Policy is designed to meet market best practice, ensuring that company announcements are: • made in a timely manner; • are factual; • do not omit material information; • are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investor decisions. The Company Secretary is responsible for monitoring information which could be price sensitive and is authorised to lodge such information with the Australian Securities Exchange.	Continuous Disclosure Policy
Recommendation 5.2	**Companies should provide the information indicated in the Guide to reporting on Principle 5**	
Response	The Company's corporate website contains relevant information for shareholders about the Company, its operations, corporate profile structure and governance principles.	

		Refer
Principle 6	**Respect the rights of shareholders** ***Respect the rights of shareholders and facilitate the effective exercise of those rights***	
Recommendation 6.1	**Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy**	
Response	The Board has adopted a Communications Policy which requires communication with shareholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company. The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals. The external auditor attends the Annual General Meeting and is available to answer shareholder questions about • The conduct of the audit; • The preparation and content of the auditor's report; • The accounting policies adopted by the Company in relation to the preparation of the financial statements; and • The independence of the auditor in relation to the conduct of the audit.	Communications Policy
Recommendation 6.2	**Companies should provide the information indicated in the Guide to reporting on Principle 6**	
Response	In addition to the information disclosed on the Company's website, the Company's Notice of Annual General Meeting mailed to shareholders provides details of the location, time and date of the meeting, the business to be considered by shareholders and details about each candidate standing for election or re-election as a director of the Company.	

		Refer
Principle 7	**Recognise and manage risk** ***Establish a sound system of risk oversight and management and internal control***	
Recommendation 7.1	**Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies**	
Response	The Board considers identification and management of key risks associated with the business as being vital to maximise shareholder wealth. The Board has delegated the control of risk management to the Audit Committee in accordance with its Charter. The Audit Committee has a formal charter which sets out its roles, responsibilities, membership, meeting process and performance evaluation requirements.	Audit Committee Charter
Recommendation 7.2	**The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks**	Risk Management Policy
Response	The Board regularly reviews risks relating to individual sales programs, ongoing implementation projects and software development programs. Regular assessments of the Company's risk profile are also undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The Managing Director has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of the Company managing and reassessing its key business risks.	
Recommendation 7.3	**The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.**	
Response	The Company's Managing Director and Chief Financial Officer have provided assurances to the Board that the Company's financial reporting is founded upon a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial	
Recommendation 7.4	**Companies should provide the information indicated in the Guide to reporting on Principle 7** • **Statement whether the Board has received a report from management under Recommendation 7.2**	
Response	Because of the size of the Company the Board considers that no additional reporting is necessary. • **Statement whether the Board has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) under Recommendation 7.3**	
Response	The Board has received assurances from the Managing Director and Chief Financial Officer under Recommendation 7.3.	

		Refer
Principle 8	**Remunerate fairly and responsibly** ***Ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear***	
Recommendation 8.1	**The board should establish a remuneration committee**	
Response	The Board has established a Remuneration Committee. The Remuneration Committee is responsible to the Board for the establishment of the remuneration framework for Directors, the Managing Director and senior executives.	Remuneration Committee Charter
Recommendation 8.2	**Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives**	
Response	The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive director is subject to approval by shareholders at a General Meeting from time to time.	Directors' Report
	The remuneration packages of the Managing Director and senior executives may include a short-term incentive component that is linked to the achievement of specific Company and individual goals.	(Remuneration Report)
Recommendation 8.3	**Companies should provide the information indicated in the Guide to reporting on Principle 8** • **The names of the members of the remuneration committee and their attendance at meetings of the committee, or where a company does not have a remuneration committee, how the functions of a remuneration committee are carried out**	
Response	This information is provided in the Directors' Report. • **The existence and terms of any schemes for retirement benefits, other than superannuation, for non-executive directors**	Directors' Report
Response	The Company does not have schemes for retirement benefits, other than superannuation, for non-executive directors. • **The charter of the remuneration committee or a summary of the role, rights, responsibilities and membership requirements of that committee**	
Response	The Remuneration Committee Charter is available on the Company's website (Investor Information Section).	

- Notes -