TECHNICHE LIMITED

AND CONTROLLED ENTITIES

ABN 83 010 506 162

ANNUAL REPORT 2015-2016

CONTENTS

CORPORATE DIRECTORY

DIRECTORS

Karl Phillip Jacoby (Chairman)
Andrew Lambert Campbell
Bruce Ronald Scott

CHIEF EXECUTIVE OFFICER

David Nelson

COMPANY SECRETARY

John Lemon

REGISTERED OFFICE IN AUSTRALIA

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

PRINCIPAL PLACE OF BUSINESS IN AUSTRALIA

Unit 20, 43 Lang Parade,
Auchenflower Queensland 4066

Postal address:
PO Box 2091
Toowong QLD 4066

Telephone:	+61 1300 556 673 (within Australia)
Facsimile:	+61 7 3720 9066
Email:	mail@tcnglobal.net
Website:	www.tcnglobal.net
ABN:	83 010 506 162

AUDITORS

PKF Hacketts Audit
Chartered Accountants
Level 6, 10 Eagle Street
Brisbane Queensland 4000

BANKERS

HSBC Bank Australia Limited
300 Queen Street
Brisbane Queensland 4000

Commerzbank
Hamburg, Germany

SOLICITORS

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

DOMICILE AND COUNTRY OF INCORPORATION

Australia

STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange.

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 (within Australia)
	+ 61 1300 554 474 (international)
Facsimile:	+ 61 2 9287 0303

Website: www.linkmarketservices.com.au

EXECUTIVE DIRECTORY

Thomas Huben Country Manager
ERST Technology GmbH
Jesse Klebba Chief Executive Officer
Urgent Technology Group
David Wilson Group Financial Controller
Techniche Limited

CORPORATE GOVERNANCE STATEMENT

A copy of the Techniche Limited Corporate Governance Statement can be obtained from the Company website at: http://www.tcnglobal.net/corporate-governance/.

FINANCIAL CALENDAR

2016

26 August	Annual profit and dividend announcement
8 September	Shares traded ex-dividend
9 September	Record date for final dividend
30 September	Final dividend paid
10 November	Annual General Meeting
31 December	Half year ends

2017

27 February	Half year profit announcement
25 August	Annual profit and dividend announcement
30 June	Financial year ends
7 September	Shares traded ex-dividend
8 September	Record date for final dividend
29 September	Final dividend paid
10 November	Annual General Meeting
31 December	Half year ends

ANNUAL GENERAL MEETING

4.00pm 10 November 2016
Room 82, Hilton Hotel
190 Elizabeth Street
Brisbane 4000

SHARE REGISTRY

Register of Securities is held at the following address:

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Telephone: + 61 1300 554 474 (within Australia)
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Facsimile: + 61 2 9287 0303

Website: www.linkmarketservices.com.au

ABOUT TECHNICHE

Techniche Limited is a listed investment company headquartered in Brisbane, Australia. We acquire, manage and build niche business-to-business (B2B) technology software & services companies.

Over the past five years, Techniche has honed this strategic focus and built a platform from which we are now well-positioned to become the leading listed software conglomerate in Australia.

Our businesses develop and deliver proprietary software solutions that serve critical needs in the day-to-day operations of our customers. Techniche employs an active management approach by working with and incentivizing management, to successfully grow our businesses in Australia and around the world both organically and via strategic acquisitions.

We recognise and understand the tremendous challenges faced by Australian technology entrepreneurs in building global businesses and we are unique as a listed investment company in our experience, knowledge and focus on this field of endeavour.

Innovation is at the core of everything we do across our organisation – reflected in our ongoing investment in R&D targeted at identifying the unmet needs of our customers and ultimately in bringing world-class software products to market.

Today as a diversified software conglomerate, we have a significant global footprint with operations in three continents, more than 70 driven and passionate staff who serve hundreds of customers and other stakeholders around the world.

Techniche supports tech-focused entrepreneurs, management teams and small businesses by improving access to capital, providing strategic, operational and transactional advice, and connecting them with commercialisation resources and networks both here in Australia and around the world. We also support start-up and innovation programs in our local communities.

Techniche also seeks to invest in inorganic expansion opportunities for our businesses, that drive long-term growth through new markets, new products, new territories and new capabilities.

Techniche's continuing priority is to deliver outstanding returns to our shareholders, while becoming an investor and partner of choice for outstanding software companies.

Techniche Limited is a listed investment company headquartered in Brisbane, Australia. We acquire, manage and build niche business-to-business (B2B) technology software & services companies.

A$11+ Million

In annual group turnover

70+

Group employees

500+

Group customers

Australia Germany United Kingdom United States

"Annual Group turnover" includes the 50% share of revenue from Statseeker.

OUR BUSINESSES

Urgent Technology are thought leaders in the facilities service management industry.

They provide FM Infrastructure and field service management software for over 30,000 sites worldwide.

Uniquely these sites are typically managed and maintained by over 1 million third party contractors.

Urgent's eMaintenance software provides tight financial and regulatory control, while improving performance and encouraging behaviour through industry best practice.

eMaintenance is a highly configurable solution, tailored to work the way you run your operation.

You can find more information about Urgent Technology at their website – www.urgtech.com – or by following them on Twitter (@UrgTech).

ERST Technology creates software for Advanced Data Transfer helping companies to get mission critical data to where it needs to be. On time, anywhere, in any format.

ERST's key objective is to accelerate the transition to a sustainable society by helping our customers to get business critical data on-time and enable decisions based on facts rather than notions.

Global Players like BP are relying on IntraNect for accurate data transfer and trust ERST since over 15 years. Worldwide. 24/7/365.

You can find more information about ERST at their website - http://www.erst-technology.com/..

Statseeker was founded in 1996, incorporated in 1998, and is a privately held company with Corporate offices in Brisbane, Australia and San Diego, California.

Statseeker is a global provider delivering innovative network monitoring solutions for the IT enterprise and OT industrial market space.

With active deployments in over 22 countries and many Fortune 100 firms, Statseeker monitors millions of interfaces in real-time. These companies trust Statseeker to deliver big data, make decisions and take action. Statseeker allows them to identify critical issues, isolate what needs work with confidence and fix problems instantly.

You can find more information about Statseeker at their website – https://statseeker.com/ – or by following them on Twitter (@Statseeker).

BUSINESS HIGHLIGHTS

4th Straight Year of Positive Operating Profit
Techniche delivered another year of positive Operating Profit from the ordinary course of business (being Profit After Tax excluding the unrealised foreign exchange losses). Despite the year-on-year fall in earnings, our net margins remained very healthy at 18%.

Significant profit uplift from ERST & Statseeker
We saw very encouraging performances from both ERST and Statseeker with their top-line revenues up 14% and 10% respectively. Even more pleasing was the fact that the total contribution from Statseeker was up 241% across both interest, profits and fees).

Appointment of David Nelson as Techniche CEO
In February 2016 Techniche announced the appointment of David Nelson as Chief Executive Officer. This is a significant investment in the group's management capacity and he has a mandate to accelerate the company's growth towards its long-term $100 million market cap objective.

New Investment Pipeline
The Group has the financial and management capacity to undertake acquisitions that meet the criteria set by the Board of the Company. Specialists in mergers and acquisitions has been appointed in both Australia and Germany to proactively identify target opportunities and to assist with the evaluation, negotiation and execution of acquisitions that will grow EPS.

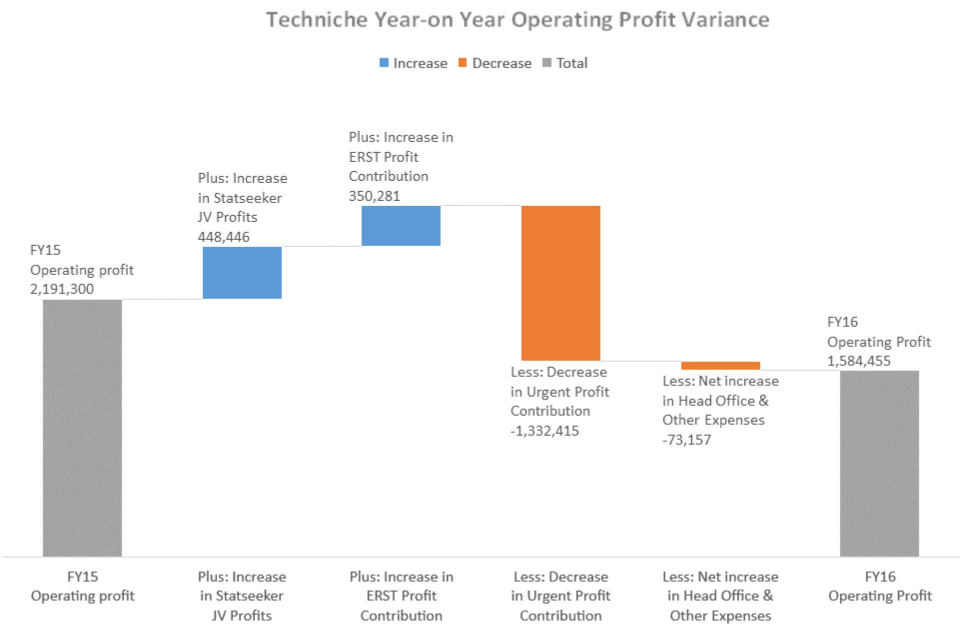
Strong Balance Sheet & Progressive Dividend Policy
Net tangible assets (NTA) increased by 7.6% in 2016. Our cash position remains very strong and during the year a dividend of $1,095,604 was also paid to shareholders.

Total Shareholder Return Exceeds ASX Over Five Years
Techniche has delivered total shareholder returns of 14.1% per annum over the five years to 30 June 2016. This was well in excess of the benchmark All Ordinaries Accumulation Index for the corresponding period.

Turnaround Plan Underway at Urgent Technology
As you can see from the profit variance chart below, if not for the disappointing result from Urgent our group results would have been up strongly. The Urgent result occurred largely due to the cessation of revenues from Project Sustain (which had totalled ~A$3M over the previous two years) and one-off costs associated with the management restructuring that we subsequently undertook.

Notably Project Sustain was successfully completed and the revamped version of eMaintenance Plus was relaunched in the market.

We are confident that under the leadership of new CEO Jesse Klebba, and with a much clearer strategic direction now in place, a strong turnaround in the Urgent business is underway.



FINANCIAL HIGHLIGHTS

Five-Year Total Shareholder Return

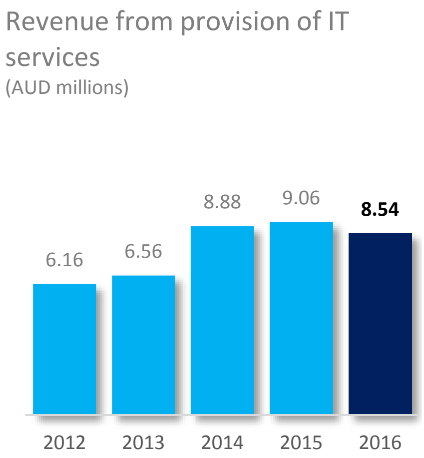
Capital Growth of:		Dividends Payments of:		Total Shareholder Return of:
10.8% per annum	+	**3.3%** per annum	=	**14.1%** per annum

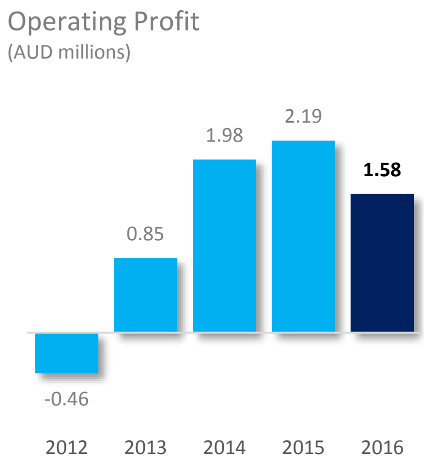
FIVE YEAR SUMMARY

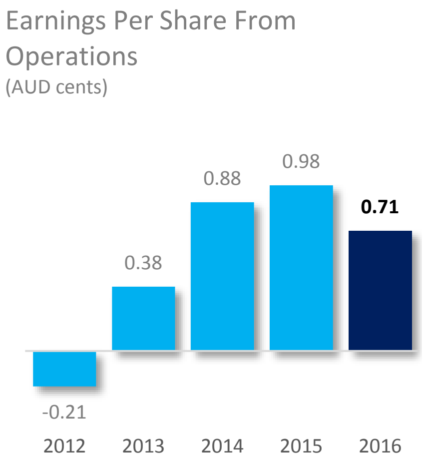
All figures are in AUD '000s unless stated otherwise	2016	2015	2014	2013	2012
Turnover (inc. 50% share of Statseeker revenue)	11,425	11,546	11,054	6,560	6,160
Revenue from Provision of IT Services	8,538	9,063	8,877	6,560	6,160
Earnings from Joint Ventures	644	189	264	-	-
Unrealised Foreign Exchange Gains	(587)	716	492	231	219
Operating Expenses	6,540	6,093	5,767	4,445	4,889
Head Office Expenses	785	716	821	994	1,335
Income Tax	272	252	581	423	245
Profit After Tax	998	2,907	2,471	1,081	(243)
Profit After Tax from Operations	1,584	2,191	1,978	851	(463)
Earnings Per Share	0.45	1.30	1.10	0.48	(0.11)
Earnings Per Share from Operations	0.71	0.98	0.88	0.38	(0.21)
Dividend - Cents Per Share	0.35	0.49	0.22	0.10	-
Dividend Payout Ratio[1]	50%	50%	25%	26%	-
Return on Equity	6%	16%	17%	9%	(5%)
Cash and Cash Equivalents	3,830	4,314	3,686	3,670	2,429
Net Tangible Assets	7,814	7,265	5,275	3,376	2,311
Net Assets	16,340	16,447	13,722	11,347	9,547
Capitalisation	$13.4m	$17.2m	$17.2m	$7.4m	$8.3m
Share Price	$0.06	$0.077	$0.077	$0.033	$0.037

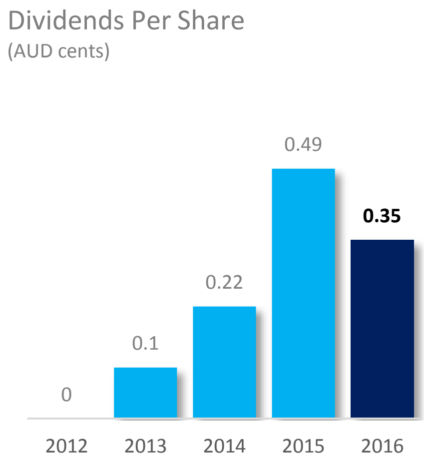
[1] Dividend Payout Ratio is calculated using earnings per share from operations which exclude any unrealised foreign exchange gains.

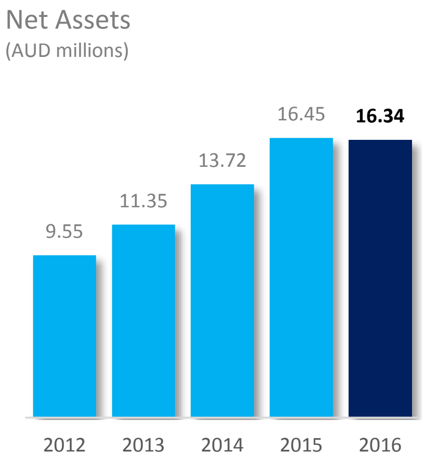
FINANCIAL PERFORMANCE IN AUD

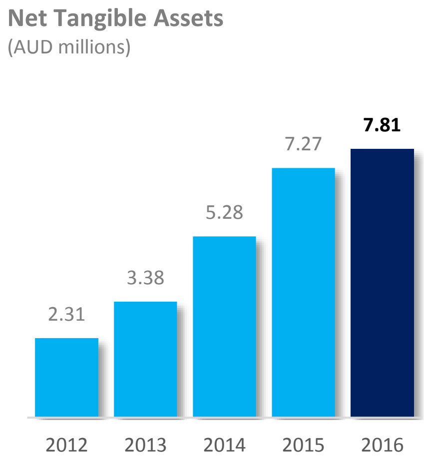












YEAR IN REVIEW

Dividends and Financial Results

This was a disappointing year financially for Techniche in which Operating profit fell by approximately 28% to $1,584,455 (2015: $2,191,300) which partially eroded the strong gains made in recent years. However, our operating profit margin is healthy at 18% and our cash and balance sheet position remain sound and we continue to hold a positive outlook for the future.

The Company is pleased to announce it intends to pay a dividend of 0.35 cents per share on 30 September 2016. The dividend will be unfranked and the record date for determining entitlements to this dividend is 9 September 2016.

Techniche net tangible assets (NTA) increased by 7.6% during the 2016 financial year from $7,265,088 to $7,814,022. Accordingly, the NTA backing per ordinary share increased from 3.25 cents to 3.49 cents.

Also during the year, a dividend of $1,095,604 was paid to shareholders. The cash held at the end of the financial year decreased by $483,460 from $4,313,931 to $3,830,471 however this does not include the 50% share of cash held by Statseeker which amounts to $692,992 and no longer secures external debt within the joint venture.

Urgent Technology

This was a year of transformation for Urgent Technology as it undertook a management restructure coincident with the completion of a major overhaul of its product and technology platform.

Under the leadership of new CEO Jessa Klebba, who was formerly President of Urgent's USA operations, the business has accelerated its transition to a Software as a Service (SaaS)-style business model under which Urgent's eMaintenance Plus (eM+) software is licensed by clients on a subscription basis and is centrally hosted.

A number of existing clients have already been migrated to this new platform with the balance scheduled to occur over the next 12-24 months as existing sales contracts are rolled over. This is delivering material savings in the provision of ongoing customer support.

Significant investments in additional sales and marketing capacity have been made in the form of new sales staff in the UK and US and a significant increase in spending on marketing campaigns to drive brand awareness and demand generation amongst our target market.

These initiatives, allied with a sharper strategic focus, are already starting to bite and have been reflected in an improved sales pipeline. The number and quality of new customer leads has grown rapidly and the broader outlook for the Facilities Management marketplace remains positive. However; this is not expected to have a material impact on its financial results until the second half of the 2017 fiscal year.

ERST-Technology

Under the excellent leadership of Thomas Huben, the ERST business has continued to be the profit engine of the group and has delivered another strong result.

Revenues were up approximately 14% and profit contribution up approximately 13% which was a result of improvements to new business opportunities in our core customer base over the period and continued cost containment.

It is expected that it will continue to show further incremental improvements in its core business this coming financial year.

However, we are determined to substantially scale up the business to achieve true critical mass, diversify its revenue base and deliver additional operating efficiencies. To this end the Board has conducted a strategic and market review the result of which is that we are seeking opportunities for expansion by acquisition.

ERST has strong management and technical capability along with IT infrastructure that can be leveraged as part of a larger entity and we have engaged a local corporate adviser in Germany and are actively screening opportunities among complementary IT software and services SMBs in the greater Hamburg region.

Statseeker

Statseeker had a solid result for the period, with new business sales increasing by 34%, total revenue moderately higher (up 10%) and supported by tightly managed operating expenses.

Throughout the year Statseeker continued to build their distribution capability through both direct and indirect channels.

This investment in partner programs is ongoing and we are confident it will be a key contributor to profitable and non-linear growth in the medium term.

Another important initiative the business completed in 2016 was a revamp of its product and pricing strategy which has repositioned Statseeker as a high-value networking solution which more accurately represents their history of innovation and technical superiority. This expanded (Good/Better/Best) range of options unlocks a larger addressable market, is expected to have an increasing impact on sales, gross margins and profits during the 2017 financial year.

Beyond our traditional IT networking market there is also an enormous opportunity available to Statseeker to apply its core technology platform to the nascent Internet of Things (IoT) market. With billions of new connected devices coming online there is a critical unmet need for network monitoring that Statseeker is ideally positioned to exploit. We do not anticipate a material contribution from this category in the 2016-17 financial year with any impact likely to come in 2018 and beyond.

The significant uplift this year in total contribution from Statseeker (up 241% across both interest, profits and fees) is a testament to the highly capable leadership of Statseeker CEO Frank Williams and his team and foreshadows our expectation of its rising potential and importance to overall Group earnings in the coming years.

Statseeker generated strong cash flows from operations which enabled it to fully repay its' remaining bank debt during the period. At 30 June it held cash balances of $1,385,983 and it expected to commence repayment of balances owed (accumulated management fees, interest and loans) to Techniche and our joint venture partner during the 2017 financial year.

Techniche Head Office

Despite the fall in profit, Techniche has made significant progress during the year against the key strategic priorities that we outlined in our annual report in 2015.

Techniche completed the appointment of David Nelson as Chief Executive Officer in February. He has spearheaded work to clarify and strengthen the strategic direction for Techniche as a listed investment company that acquires, manages and builds niche business-to-business (B2B) software & services companies.

In turn, we have amplified our efforts to build (and de-risk) our portfolio companies. Each now has a clear strategic plan that encompasses both organic and acquisition-driven growth that will see them become more significant, successful and sustainable businesses in their own right. We are working closely with management on the initiatives outlined in this report and others that we believe will bear significant fruit in the future.

Important work has also been done on internal systems and processes that create greater transparency, efficiency and productivity with and for our companies. Standardisation and automation are key pillars of a corporate structure that can support a broader portfolio of businesses in the future.

Techniche's continuing priority is to deliver outstanding returns to our shareholders, while becoming an investor and partner of choice for outstanding software companies.

Corporate Responsibility

At Techniche, Corporate Responsibility is about conducting our business ethically and contributing to the economic, social and environmental well-being of our communities.

We align CR with our business goals and ensure that it complements our unique capabilities and benefits our diverse set of stakeholders.

Our Corporate Responsibility priority areas are:

- Operating responsibly in the marketplace;
- Providing a positive working environment for our people; and
- Minimising our impacts on the environment

Our Thanks

Our people enable us to acquire, manage and build world-class business-to-business software companies that serve critical needs in the day-to-day operations of our customers. It is their hard work and commitment that drives our performance.

The Techniche Board of Directors appreciates the commitment, integrity and contribution of Techniche's management and employees across our global operations for their support in our continued success.

Karl P Jacoby
Chairman

David Nelson
Chief Executive Officer

DIRECTORS' PROFILES

KARL JACOBY

GradDip Mgt, FAICD
Independent: No

Chairman

Karl has a Graduate Diploma in Management, is a Fellow of the Australian Institute of Company Directors, and was a long standing member of The Executive Connection.

Karl is an active business, angel and property investor and has had exposure to a range of industry sectors and businesses.

Currently Karl is a Chairman (previously MD), and the largest shareholder of Techniche. During his time as MD, Techniche grew from a Tasmanian based IT services company to a global IT company with operations in the 3 key geographies of the Europe (UK and Germany), US and Asia.

ANDREW CAMPBELL

BSc(Hons), MBA
Independent: Yes

Non-Executive Director

Andrew, an IT Analyst, has a Bachelor of Science with Honours in Computer Science and a Master of Business Administration. He is a Senior Member of the Australian Computer Society and a member of the Industry Advisory Board at University of Queensland IT School in the Faculty of Engineering.

In recent years Mr Campbell has specialised in mentoring businesses and government programs, and in investing in start-up businesses.

Mr. Campbell is Chairman of the Remuneration Committee and a member of the Audit Committee.

BRUCE SCOTT

BCom, FAICD
Independent: Yes

Non-Executive Director

Bruce's career spans 25 years in stock-broking, corporate advisory and as a private equity investor.

Prior to starting NBC, Bruce ran a corporate advisory firm specialising in owner-operated middle market business.

Bruce has invested in over 35 private firms during the last 19 years. He is the Managing Director and Chief Investment Officer of NBC Capital.

Mr. Scott is Chairman of the Audit Committee and a member of the Remuneration Committee.

GLOBAL LEADERSHIP GROUP

DAVID NELSON

BEc, GradDip AppFin, MBA, MAICD

CEO Techniche Ltd.

David Nelson served as CEO of inovia from 2008 until 2015. In this capacity he was responsible for the company's corporate strategy, organizational structure, business development (including channel partner programs) and, ultimately, its successful trade sale in 2013 to RWS Holdings (LON:RWS). Under his leadership the company became the acknowledged pioneer and global leader of the online foreign patent filing model with revenue growth of over 400%.

From 2004 until 2015 David also served as Managing Director for Divergent Capital Pty Ltd, a seed-stage venture capital investor focused on niche internet and enterprise software start-ups. In that capacity he lead the fund's investment into more than twenty early-stage companies including Visean (sold to Weatherford [NYSE:WFT]) and Specialtys Direct (sold to Femsa [NYSE:FMX]).

David has served on the boards of various technology companies and continues to act as an adviser, mentor, angel investor and manager in the start-up tech sector.

DAVID WILSON

BBus, CPA

Financial Controller, Techniche Ltd.

David has more than 30 years' experience in the finance and investment industries. Prior roles included senior executive positions with a range of international and domestic banking institutions where he has managed teams of finance professionals and implemented business systems and improvement initiatives.

David is a member of CPA Australia.

JESSE KLEBBA

BMIS

CEO Urgent Technology

Jesse is a highly experienced technology professional and executive leader, specializing in helping organizations understand the impacts of technology on their business.

He leverages 18 years of consulting and technology knowledge in implementing enterprise-scale regulatory compliance and facilities management systems within the retail industry. Jesse has a wide range of experience and expertise in dealing with compliance and maintenance issues that can arise when dealing with retail maintenance.

Jesse oversees operations of the eMaintenance+ system that serves 40,000 locations worldwide.

Jesse holds a Bachelor of Science degree in Management Computer Systems Technology from the University of Wisconsin – Whitewater.

GLOBAL LEADERSHIP GROUP CONT.

THOMAS HUBEN

BBus, CEFA

CEO ERST Technology GmbH

Mr. Huben brings over 20 years of high technology management experience to ERST.

Most recently, Thomas was Executive Vice President of Versant Corp.(NASDAQ) now part of Actian, a leading supplier of BigData Analytics. Thomas merged the company successful with POET Holdings Inc., a public company he joined in 1998 pre-IPO. Thomas led the global field operations and was key in turning the company profitable and for developing and implementing a growth strategy.

He holds a Diploma as Certified European Financial Analyst - CEFA from EFFAS and a BA in Business Administration.

FRANK WILLIAMS

BSEE

CEO Statseeker

Mr. Williams is an Engineer by education holding a BSEE from San Diego State University, augmented by post-graduate courses. He has more than 30 years of experience building companies that focus on designing and deploying leading-edge technology. Widely respected in the industrial automation space he has authored numerous articles, and technology centric white papers throughout his career. He is a frequent speaker at trade shows and business forums addressing emerging technologies related to computers, networks, software and wireless deployment.

He was CEO and Founding Partner of Action Instruments, a leader in industrial automation solutions, CEO of Elpro Technologies, a global leader in Wireless solutions, Director of Belden's (a $2.1b Automation Company) cyber security initiative, and most recently is CEO of Statseeker, a global provider of network monitoring solutions.

JOHN LEMON

BA, LLB (Hons), GDipAppFin (Finsia), Grad.Dip.AppCorpGov, AGIA

Company Secretary

Mr. Lemon is a professional consultant providing company secretary and director services.

SHARE INFORMATION

The shareholder information set out below was applicable as at 2 September 2016.

Techniche Limited

Issued Capital Ordinary Shares: 223,592,656 as at 2 September 2016.

Details of Incorporation

To be added

Substantial Shareholders

Substantial holders (holding above 5%) in the company as disclosed in substantial holding notices given to the Company are set out below:

	Number held	Percentage
Ordinary shares		
Hooks Enterprises Pty Limited (Hoeksema Super Fund)	31,961,780	14.29
Jacoby Management Services Pty Ltd	43,642,828	19.52
Durbin Superannuation Pty Ltd	13,700,000	6.07

Stock Exchange Listing

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

Voting Rights

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

a. **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.

b. **Options**
   No voting rights.

Significant Foreign Shareholdings

As at 2 September 2016, there were no significant foreign shareholdings in Techniche.

Unquoted Securities

There are no unquoted securities on issue at 2 September 2016

DISTRIBUTION OF EQUITY SECURITIES

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

Range	Total Holders	Shares	% Total Shares
1 – 1,000	81	42,469	0.02
1,001 – 5,000	90	274,946	0.12
5,001 – 10,000	135	1,086,550	0.49
10,001 – 100,000	434	14,801,848	6.62
100,001 and over	165	207,386,843	92.75
Total	**905**	**223,592,656**	**100.00**

The number of holder accounts holding a balance less than a marketable parcel was 248 based on a closing price of $0.06 on 2 September 2016. The total number of shares registered to such holder accounts was 750,979. A marketable parcel is defined under the ASX Listing Rules as a holder account with a value less than $500 based on the last sale on any date. As mentioned above, the last sale price on 2 September 2016 was $0.06 and the Company has used this price for this disclosure. The minimum number of shares required to be held in any account for that account to constitute a marketable parcel is 8,333 shares based on this price.

SHAREHOLDER INFORMATION

TECHNICHE'S TWENTY LARGEST SHAREHOLDERS AS AT 2 SEPTEMBER 2016

Shareholder		Shares	% Total Shares
1	Jacoby Management Services Pty Ltd	45,519,378	20.36
2	Hooks Enterprises Pty Ltd	30,609,744	13.69
3	Durbin Superannuation Pty Ltd (Durbin Family S Fund A/C)	13,750,000	6.15
4	Tara Group Pty Ltd	6,780,000	3.03
5	Tappak Nominees Pty Ltd (Sheppard Group Superfund A/C)	5,738,480	2.57
6	George Edward Chapman	5,000,000	2.24
7	Mr Peter Raymond Burnitt (Burnitt Family S/F A/C)	3,661,920	1.64
8	Mr Ian Harvey Carey	3,399,654	1.52
9	HSBC Custody Nominees (Australia) Limited	3,354,582	1.50
10	Geomar Superannuation Pty Ltd (Chapman Super Fund A/C)	3,186,094	1.42
11	Mr Kevin Joseph Sheppard (Sheppard & Wells Super A/C)	3,041,280	1.36
12	Zoom Zoom Pty Limited	2,918,783	1.31
13	Buratu Pty Ltd (Connolly Super Fund A/C)	2,800,000	1.25
14	Cff Pty Ltd (Crommelin Family Found A/C)	2,711,651	1.21
15	Beebee Holdings Pty Ltd	2,500,000	1.12
16	Mr Roy Brammall & Mrs Mona Brammall (Renglade P/L Staff S/F A/C)	2,441,280	1.09
17	Mr Daniel Francis Flynn & Mrs Carmel Mary Flynn (Flynn Family S/F A/C)	2,100,000	0.94
18	Mr Joseph Christopher Browning (Browning Group S/F A/C)	2,000,000	0.89
19	Mr Alex Tau-Kheng Lim	2,000,000	0.89
20	Mr Robert John Shaw & Mrs Maria Shaw (Shaw Group Super Fund A/C)	1,895,264	0.85
Total		**145,408,110**	**65.03**

	Investors	Current Balance	% Issued Capital
Total of Top 20 Holders	20	145,408,110	65.03
Total Other Investors	885	78,148,546	34.97
Total Shares on Issue	**905**	**223,592,656**	**100.00**

TECHNICHE LIMITED

AND CONTROLLED ENTITIES

ABN 83 010 506 162

FINANCIAL REPORT 2015-2016

DIRECTORS' REPORT

The directors of Techniche Limited submit herewith the annual report of Techniche Limited ('the Company') and its controlled entities ('the Group') for the financial year ended 30 June 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was investment in and management of global technology companies. We employ an active management approach by working with and incentivising management to successfully grow the businesses organically and via strategic acquisitions. The current investments are all technology businesses with global applications, providing B2B solutions, with a minimum of 50% carry forward contracted revenue, in the data management, facilities management, and network monitoring sectors. There has been no change in the business activities of investing in, providing funding to, and providing management assistance to wholly or partly owned entities.

OPERATING RESULTS

The consolidated profit of the Group from continuing operations after providing for income tax amounted to $997,857 [2015: $2,906,961]. The profit after tax and excluding unrealised foreign exchange gains was $1,584,455 [2015: $2,191,300].

REVIEW OF OPERATIONS

GENERAL

The Company is focused on providing long term growth in earnings per share and dividends to our shareholders despite the disappointing result recorded during the year.

Earnings per share decreased from 1.3 cents per share for the year ended 30 June 2015 to 0.45 cents per share for the current year to 30 June 2016.

A detailed review of the operations of the Group during the financial is set out in the sections headed "Business Highlights" and "Year in Review".

DIVIDEND

During the year (on 30 September 2015) the Company paid a dividend of 0.49 cents per share (totalling $1,095,604). Further the Company's directors resolved on the 27th August 2016 that the Company pay an unfranked dividend of 0.35 cents per share (totalling $782,574) on the 30th September 2016.

FINANCIAL POSITION

Net assets of the Group have decreased slightly by $106,819 from $16,447,472 in 2015 to $16,340,653. This increase is primarily explained as follows:

- There was a decrease in the value on translation of foreign assets caused by the strengthening on the exchange traded value of the Australian dollar during the period.
- Cash and short term deposits amounted to $3,830,471 at year end [2015: $4,313,931] however the working capital ratio (current assets/current liabilities) has increased from 2.73 in 2015 to 3.09 in 2016. The decrease in cash balances were due to continued strong cash generation from the ERST businesses being offset by lower profits from Urgent and the paying of a dividend during the year of $1,095,604.
- The Group continues to have no interest bearing debt including the share of bank funded debt held by Statseeker which has now been fully repaid.

The Group continues to build a solid platform of profit generating businesses and has the capacity to look for further acquisitions that meet the criteria set by the Board of the Company. Specialists in mergers and acquisitions has been appointed in both Australia and Germany to proactively identify acquisition opportunities and to assist with the evaluation, negotiation and execution of acquisitions.

DIRECTORS' REPORT

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

We have referenced the future developments, prospects and business strategies of our portfolio companies in the earlier commentary. With respect to Techniche our focus is to provide improved returns to shareholders though growth in earnings per share and dividends. The Board have mapped 6 key strategic priorities being:

- Seek to reduce the variability in earnings of our underlying businesses throughout the year.
- Seek out further Strategic Acquisitions with particular focus on Australian businesses with world class technologies to take globally
- Growth of our current businesses through marketing/sales imperatives and bolt on acquisitions
- Introducing "Best of breed" performance tools/processes
- Building a corporate structure to support multiple businesses

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the 2016 financial year.

AFTER BALANCE DATE EVENTS

The Company's directors resolved on the 25 August 2016 that the Company pay an unfranked dividend of 0.35 cents per share (totalling $782,574) on the 30 September 2016. This is in accordance with the dividend payout ratio of 50% of net profit from operations (excluding unrealised foreign exchange movements).

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

ENVIRONMENTAL ISSUES

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

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Director	Qualifications and experience	Special responsibilities	Interest in shares at 30 June 2016
KARL JACOBY (Chairman) GAICD	Karl is an active business, property and angel investor. Karl has a Graduate Diploma in Management, is a Fellow of the Australian Institute of Company Directors.	Executive Director Karl was appointed Chairman on close of the 2012 AGM.	45,312,378 ordinary shares
BRUCE SCOTT FAICD	Bruce is a director of NBC Capital. His career spans 25 years in stock-broking, corporate advisory and as a private equity investor. Bruce has invested in over 35 private firms during the last 19 years. He is the Managing Director and Chief Investment Officer of NBC Capital.	Non-executive Director from 1 April 2013 Member of Audit Committee Member of Remuneration Committee	6,780,000 ordinary shares
ANDREW CAMPBELL	Andrew has an extensive technology and investment background. In recent years Andrew has specialised in mentoring businesses and government programs, and in investing in start-up businesses.	Non-executive Director from 27 August 2015 Member of Audit Committee Member of Remuneration Committee	1,105,055 ordinary shares

	Directorships held with listed companies	
Director	**Current**	**Prior three years**
KARL JACOBY	None	None
BRUCE SCOTT	None	None
ANDREW CAMPBELL	None	None

MEETINGS OF DIRECTORS

During the financial year, 16 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
KP Jacoby	11	11	-	-	-	-
BR Scott	11	11	3	3	2	2
A Campbell	11	11	3	3	2	2

DIRECTORS' REPORT

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 during the entire financial year:

John Andrew Lemon

(BA, LLB (Hons), GDipAppFin (Finsia), Grad.Dip.AppCorpGov, AGIA)

Mr Lemon is a professional consultant providing company secretary and director services.

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 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 $49,764 [2015: $60,774].

OPTIONS

At the date of this report, there were no unissued ordinary shares of Techniche Limited under option [2015: Nil].

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 no services outside the scope of the audit were provided by the Company's auditors.

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

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 28 of the Annual Report.

DIRECTORS' REPORT

Remuneration Report (Audited)

REMUNERATION POLICY

The Company'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 short and 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 Company's businesses, as well as create a common interest in goals between directors, managers and shareholders.

The Company had one executive director for part of the financial year (ceased executive role 1 February 2016). 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 executive director were not linked to the performance of the Company.

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

- 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.
- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators have been met.
- 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.
- 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 budgeted growth of the individual business unit revenue, 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.

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.

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 respective business unit and respective industry standards.

DIRECTORS' REPORT

Remuneration Report (Audited)

Performance in relation to the KPIs 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.

The remuneration structure for management 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 Company including long term growth in shareholder wealth.

PERFORMANCE CONDITIONS LINKED TO REMUNERATION

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

The performance related proportions of remuneration based on profit targets are included in the table that appears on page 25. 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 is based on a review of the audited financial statements of the Company 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 Company 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 Company, and to the extent different, were amongst the five Company executives receiving the highest remuneration. The table on page 25 also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of performance incentives.

The employment terms and conditions of key management personnel and group executives are formalised in contracts of employment. Terms of employment require the relevant business unit 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 with a minimum of three-month notice period termination contract, 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.

DIRECTORS' REPORT

Remuneration Report (Audited)

	Position held as at 30 June 2016 and any changes during the year	Contract details
Group Key Management Personnel		
D Nelson	Chief Executive Officer, Techniche Limited – appointed 1 February 2016	Permanent employment with annual review of salary and bonus
T Huben	Chief Executive Officer, ERST European Retail Systems Technology GmbH	Permanent employment with annual review of salary and bonus
J Klebba	Chief Executive Officer, Urgent Technology Group	Permanent employment with annual review of salary and bonus
D Wilson	Group Financial Controller, Techniche Limited	Permanent employment with annual review of salary and bonus

CHANGES IN EXECUTIVES SUBSEQUENT TO YEAR END

There have been no changes to executives since 30 June 2016.

DIRECTORS' REPORT

Remuneration Report (Audited)

REMUNERATION DETAILS FOR THE YEAR ENDED 30 JUNE 2016

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**		
		Cash salary & fees	*Bonus / Incentives*	*Superannuation*	*Termination*	*Options*	*Total*	*Performance Related*
Board								
K P Jacoby (Executive Chairman)	**2016**	**81,890**	**-**	**24,996**	**-**	**-**	**106,886**	**-**
	2015	85,008	-	24,996	-	-	110,004	-
B R Scott	**2016**	**8,560**	**-**	**35,000**	**-**	**-**	**43,560**	**-**
	2015	36,000	-	3,600	-	-	39,600	-
A Campbell	**2016**	**29,836**	**-**	**13,724**	**-**	**-**	**43,560**	**-**
	2015	30,554	-	2,903	-	-	33,457	-
Company Secretary								
J A Lemon	**2016**	**27,525**	**-**	**-**	**-**	**-**	**27,525**	**-**
	2015	31,845	-	-	-	-	31,845	-
Other key management personnel of controlled entities								
D Nelson (i)	**2016**	**83,333**		**7,917**			**91,250**	**-**
	2015	-	-	-	-	-	-	-
T Huben	**2016**	**203,932**	**27,222**		**-**	**-**	**231,154**	**13%**
	2015	188,505	25,595		-	-	214,100	12%
G Done (ii)	**2016**	**30,404**	**41,340**	**-**	**179,939**	**-**	**251,683**	**136%**
	2015	282,756	16,705	-	-	-	299,461	6%
J Klebba	**2016**	**250,208**	**44,975**	**-**	**-**	**-**	**295,183**	**18%**
	2015	195,376	39,142	-	-	-	234,518	17%
D Wilson	**2016**	**127,354**	**-**	**12,231**	**-**	**-**	**139,585**	**-**
	2015	124,027	2,000	11,973	-	-	138,000	-
Total	**2016**	**843,044**	**113,539**	**93,868**	**179,939**	**-**	**1,230,390**	
	2015	980,839	83,442	37,331	-	-	1,101,612	

(i) D Nelson was appointed as Chief Executive Officer effective 1 February 2016.

(ii) G Done left Urgent Technology Limited on 4 August 2015. Bonus paid in the current year was attributable to performance for the year ended 30 June 2015.

DIRECTORS' REPORT

Remuneration Report (Audited)

SHAREHOLDING OF KEY MANAGEMENT PERSONNEL AT 30 JUNE 2016

The number of ordinary shares in Techniche Limited held during the financial year by key management personnel of the Group is as follows

	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**
2016					
Directors					
K P Jacoby	45,312,378	-	-	-	45,312,378
B R Scott	6,780,000	-	-	-	6,780,000
A Campbell	1,002,055	-	-	103,000	1,105,055
Other Key Management Personnel					
D Wilson	400,000	-	-	50,000	450,000
Total	53,494,433	-	-	153,000	53,647,433
2015					
Directors					
K P Jacoby	44,652,378	-	-	660,000	45,312,378
B R Scott	6,280,000	-	-	500,000	6,780,000
A Campbell	-	-	-	1,002,055	1,002,055
Other Key Management Personnel					
D Wilson	180,000	-	-	220,000	400,000
Total	51,112,378	-	-	2,382,055	53,494,433

DIRECTORS' REPORT

Remuneration Report (Audited)

STATUTORY PERFORMANCE INDICATORS

The table below shows measures of the group's financial performance over the last five years as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the measures used in determining the variable amounts or remuneration to be awarded to KMPs (see remuneration details above). As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2016	**2015**	**2014**	**2013**	**2012**
Profit for the year attributable to owners of Techniche Limited	997,857	2,906,961	2,470,544	1,081,185	(243,005)
Basic earnings per share (cents)	0.45	1.30	1.10	0.48	(0.11)
Dividends per share (cents)	0.35	0.49	0.20	0.10	-
Closing share price ($)	0.06	0.08	0.08	0.03	0.04
Total KMP incentives as percentage of profit/(loss) for the year (%)	11.4	2.9	12.5	13.8	30.0

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

K P Jacoby

Chairman

Brisbane, 22 September 2016

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TECHNICHE LIMITED
AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

PKF HACKETTS

PKF Hacketts Audit

Liam Murphy
Partner

Brisbane, 22 September 2016

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	NOTE	**Year ended 30 June 2016**	Year ended 30 June 2015
Revenue from ordinary activities			
Revenue from wholly owned subsidiaries		**8,537,801**	9,063,070
Revenue from joint ventures	2	**644,173**	189,477
		9,181,974	9,252,547
Unrealized foreign exchange gain / (loss)		**(586,598)**	715,661
Other income		**33**	199
Expenses			
Auditor remuneration	3	**(118,763)**	(119,403)
Acquisition costs		**-**	(8,083)
Consulting fees		**(151,928)**	(129,678)
Infrastructure costs		**(559,950)**	(382,064)
Depreciation expense		**(33,840)**	(31,528)
Directors remuneration		**(177,174)**	(179,779)
Employee benefits expense		**(5,088,535)**	(4,852,668)
Realised foreign exchange losses		**-**	-
Insurance		**(87,324)**	(77,145)
Motor vehicle and travel expenses		**(232,837)**	(274,006)
Other expenses		**(311,331)**	(268,475)
Premises expenses		**(498,256)**	(414,124)
Share registry and listing fees		**(65,813)**	(72,572)
Profit before income tax		**1,269,658**	3,158,882
Income tax expense	**6**	**(271,801)**	**(251,921)**
Profit for the year attributable to the members of the parent entity		**997,857**	**2,906,961**
Other comprehensive income			
Items that may be classified to profit and loss:			
Exchange differences arising on translation of foreign operations		**(9,073)**	310,240
Income tax relating to components of other comprehensive income		**-**	-
Other comprehensive income for the year		**(9,073)**	**310,240**
Total comprehensive income attributable to members of the parent entity		**988,784**	**3,217,201**
Earnings per share			
Earnings from continuing operations			
Basic earnings (cents per share)	5	**0.45 cents**	1.30 cents
Diluted earnings (cents per share)	5	**0.45 cents**	1.30 cents

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	7	**3,830,471**	4,313,931
Trade and other receivables	8	**1,652,796**	1,694,060
Other current assets	9	**291,721**	379,029
Total current assets		**5,774,988**	6,387,020
Non-current assets			
Investments in Joint Ventures	13(b)	**1,763,659**	1,314,486
Loan and other receivables from associated entities	23,24	**1,657,750**	1,368,750
Property, plant and equipment	10	**164,232**	70,032
Intangible assets	11	**8,526,631**	9,182,384
Total non-current assets		**12,112,272**	11,935,652
Total assets		**17,887,260**	18,322,672
LIABILITIES			
Current liabilities			
Trade and other payables	14	**324,786**	465,484
Unearned income		**936,835**	1,039,217
Current tax liabilities	15	**66,676**	138,563
Short term provisions	16	**218,310**	231,936
Total current liabilities		**1,546,607**	1,875,200
Non-current liabilities			
Total non-current liabilities		**-**	-
Total liabilities		**1,546,607**	1,875,200
NET ASSETS		**16,340,653**	16,447,472
Equity			
Issued capital	17	**70,338,778**	70,338,778
Reserves	18	**(965,221)**	(956,148)
Accumulated losses		**(53,032,904)**	(52,935,158)
TOTAL EQUITY		**16,340,653**	16,447,472

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Ordinary shares	Retained earnings	FX translation reserve	Total
	$	$	$	$
Balance at 30 June 2014	**70,338,778**	**(55,350,215)**	**(1,266,388)**	**13,722,175**
Profit attributable to members of the parent entity	-	2,906,961	-	2,906,961
Total other comprehensive income	-	-	310,240	310,240
Sub total		2,906,961	310,240	3,217,201
Dividends paid or provided for	-	(491,904)	-	(491,904)
Balance at 30 June 2015	**70,338,778**	**(52,935,158)**	**(956,148)**	**16,447,472**
Profit attributable to members of the parent entity	-	997,857	-	997,857
Total other comprehensive income	-	-	(9,073)	(9,073)
Sub total		997,857	(9,073)	988,784
Dividends paid or provided for	-	(1,095,603)	-	(1,095,603)
Balance at 30 June 2016	**70,338,778**	**(53,032,904)**	**(965,221)**	**16,340,653**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	Note	**2016**	2015
		$	$
Cash flows from operating activities			
Receipts from customers		**8,903,740**	9,095,166
Payments to suppliers and employees		**(7,879,952)**	(7,239,327)
Income tax refund / (paid)		**(343,687)**	(741,322)
Net cash provided by (used in) operating activities	20(b)	**680,101**	1,114,517
Cash flows from investing activities			
Purchase of plant and equipment		**(128,040)**	(35,232)
Payment of related party loans		**-**	(250,000)
Net cash provided by (used in) investing activities		**(128,040)**	(285,232)
Cash flows from financing activities			
Proceeds from issue of shares		**-**	-
Dividends paid		**(1,095,603)**	(491,903)
Net cash provided by (used in) financing activities		**(1,095,603)**	(491,903)
Net increase (decrease) in cash held		**(543,542)**	337,382
Effects of functional currency exchange rate changes		**60,082**	290,242
Cash at the beginning of the year		**4,313,931**	3,686,307
Cash at the end of the year	20(a)	**3,830,471**	4,313,931

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2016

These consolidated financial statements and notes represent those of Techniche Limited (the "Company") 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 22 September 2016 by the directors of the company

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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 financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 12 to the financial statements.

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).

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 in 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 business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

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

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i. the consideration transferred;
ii. any non-controlling interest (determined under either the full goodwill or proportionate interest method); 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 re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. 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.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (proportionate interest method). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination

Under the full goodwill method, the fair value of the non-controlling interests is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

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, representing the lowest level at which goodwill is monitored being 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 disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. INCOME TAX

The income tax expense (income) 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 and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

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) a legally enforceable right of set-off exists; and (b) 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 2016 and no decision has been made on whether the entity intends to implement the tax consolidation legislation in a future reporting period.

C. PLANT AND EQUIPMENT

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

Plant and equipment

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.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

D. 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 (i.e. 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

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. 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. (All other loans and receivables are classified as non-current assets.)

ii. Financial liabilities

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

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.

E. 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 (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

F. INTEREST IN JOINT VENTURES

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint ventures with an interest to net assets are classified as a "joint venture" and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Group's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the consolidated financial statements.

Gains and losses resulting from sales to a joint operation are recognised to the extent of the other parties' interests. When the Group makes purchases from a joint operation, it does not recognise its share of the gains and losses from the joint arrangement until it resells those goods/assets to a third party.

Details of the Group's interests in joint arrangements are provided in Note 13.

G. 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.

H. 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 monthly 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 of.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. EMPLOYEE BENEFITS

Provision is made for the Group'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.

J. 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.

K. 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.

L. 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).

M. 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.

N. 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.

O. COMPARATIVE FIGURES

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

P. 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.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of goodwill and intangibles at the end of the reporting period. Should the projected turnover figures be materially outside of budgeted figures incorporated in value-in-use calculations, an impairment loss would be recognised up to the maximum carrying value of goodwill and intangibles at 30 June 2016.

Q. NEW ACCOUNTING STANDARDS, AND ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

Accounting Standards and Interpretation issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets and simplifications to the accounting of embedded derivatives. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group's financial instruments, including hedging activity, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by *AASB 2015-8: Amendments to Australian Accounting Standards – Effective Date of AASB 15*). When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019). When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact

AASB 2014-3: Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations (applicable to annual reporting periods beginning on or after 1 January 2016)

This Standard amends AASB 11: Joint Arrangements to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The application of AASB 2014-3 will result in a change in accounting policies for the above described transactions, which were previously accounted for as acquisitions of assets rather than applying the acquisition method per AASB 3. The transitional provisions require that the Standard should be applied prospectively to acquisitions of interests in joint operations occurring on or after 1 January 2016.

As at 30 June 2016, management is not aware of the existence of any such arrangements that would impact the financial statements of the entity going forward and as such is not capable of providing a reasonable estimate at this stage of the impact on initial application of AASB 2014-3.

AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by *AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128)*.

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018.

Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTE 2. REVENUE FROM JOINT VENTURES

The following discloses the nature of income or expense items where it has not been disclosed in the statement of comprehensive income:

	2016	2015
	$	$
Management fee received from associate	**120,000**	120,000
Interest received from associate	**75,000**	68,750
Share of net profit of joint venture accounted for using the equity method	**449,173**	727
	644,173	189,477

NOTE 3. AUDITOR'S REMUNERATION

	2016	2015
	$	$
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	**50,000**	48,500
- non audit services	**-**	-
	50,000	48,500
Remuneration of other auditors for:		
auditing or reviewing the financial report of subsidiaries	**68,763**	70,903

NOTE 4. 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

	2016	2015
	$	$
Statement of Financial Position		
Current assets	**1,464,189**	2,236,675
Total assets	**19,970,934**	20,470,712
Current liabilities	**70,313**	77,646
Total liabilities	**70,313**	77,646
Issued capital	**70,338,778**	70,338,778
Accumulated losses	**(50,438,158)**	(49,945,712)
Total equity	**19,900,621**	20,393,066
Statement of Comprehensive Income		
Profit/(loss) for the year	**603,158**	1,506,647
Total comprehensive income for the year	**603,158**	1,506,647

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.

NOTE 4. PARENT ENTITY FINANCIAL INFORMATION (CONTINUED)

Contingent liabilities

The Parent Entity did not have any contingent liabilities as at 30 June 2016 [2015: nil].

Commitments

At 30 June 2016 the Parent Entity had not entered into any contractual commitments for the acquisition of property plant and equipment [2015: nil]

NOTE 5. EARNINGS PER SHARE

		2016	2015
		$	$
From continuing operations			
a)	**Reconciliation of earnings to profit or loss**		
	Earnings used to calculate basic earnings per share	**997,857**	2,906,961
	Earnings used to calculate diluted earnings per share	**997,857**	2,906,961
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
	Basic earnings per share (cents per share)	**0.45 cents**	1.30 cents
	Diluted earnings per share (cents per share)	**0.45 cents**	1.30 cents

NOTE 6. INCOME TAX

	2016	2015
	$	$
a) The components of income tax expense comprise:		
Current tax	**271,801**	251,921
Deferred tax	**-**	-
Under / (over) provided in prior years	**-**	-
	271,801	251,921
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% (2015: 30%)	**380,897**	947,664
Add/(less) tax effect of:		
(Non-assessable) share of net profit from joint venture	**(134,752)**	(218)
Non-deductible unrealised foreign exchange(gains)/losses	**175,979**	(214,698)
Add: tax withheld on income from foreign subsidiaries	**26,522**	13,088
Less: prior year tax adjustments	**(85,538)**	(96,323)
Losses for which no deferred tax asset has been recognised	**(91,307)**	(397,592)
Income tax expense	**271,801**	251,921
Weighted average effective tax rate	**21.4%**	8.0%

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 movement in the weighted average effective tax rate reflects the impact of unrealised / non-deductible losses from the revaluation on foreign currency denominated inter-company loans. In addition, the on-going expenditure on eligible research and development relating to the redevelopment of the eMaintenance product within the United Kingdom continues to reduce the effective tax rate experienced by the Urgent Group.

c) Tax losses:

	2016	2015
Unused tax losses for which no deferred tax asset has been recognised	**51,871,807**	52,759,608
Potential tax benefit at 30%	**15,561,542**	15,827,882

All unused tax losses 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 2016 and no decision on whether the entity intends to implement the tax consolidation legislation in a future reporting period has been made.

NOTE 7. CASH AND CASH EQUIVALENTS

	2016	2015
	$	$
Cash at bank and on hand	**3,830,471**	4,313,931
	3,830,471	4,313,931

The effective interest rate on short-term bank deposits was between 0.0% and 1.0% [2015: between 0.0% and 1.0%].

NOTE 8. TRADE AND OTHER RECEIVABLES

	2016	2015
	$	$
Current		
Trade receivables	**1,491,921**	1,452,060
Provision for impairment	**-**	-
	1,491,921	1,452,060
Other receivables	**160,875**	242,000
	1,652,796	1,694,060

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 Australia and Europe given the substantial operations in those regions. The Group's exposure to credit risk for receivables at reporting date to those regions is as follows.

	2016	2015
Europe	**813,452**	195,900
United Kingdom	**356,099**	850,781
United States of America	**265,857**	383,486
Australia	**217,388**	263,893
	1,652,796	1,694,060

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
	$	$	$	$
2016				
Provision for impairment	**-**	**-**	**-**	**-**
2015				
Provision for impairment	-	-	-	-

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 by ascertaining the debtors and are provided for where there are specific circumstances indicating that the debtors 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)				Within trade terms
			< 30 days	31 - 60 days	61 - 90 days	> 90 days	
	$	$	$	$	$	$	$
2016							
Trade receivables	**1,491,921**	**-**	**699,490**	**251,655**	**11,470**	**4,558**	**524,748**
Other receivables	**160,875**	**-**	**-**	**-**	**-**	**-**	**160,875**
	1,652,796		**699,490**	**251,555**	**11,470**	**4,558**	**685,623**
2015							
Trade receivables	1,452,060	-	284,070	123,662	18,164	109,977	916,187
Other receivables	242,000	-	-	-	-	-	242,000
	1,694,060		284,070	123,662	18,164	109,977	1,158,187

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.

NOTE 9. OTHER CURRENT ASSETS

	2016 $	2015 $
Current		
Current tax assets	**160,504**	113,765
Prepayments	**96,540**	145,424
Security deposits	**34,677**	33,834
Work in progress	**-**	86,006
	291,721	379,029

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

	2016 $	2015 $
Plant and equipment at cost	**265,273**	269,205
Accumulated depreciation	**(101,041)**	(199,173)
	164,232	70,032

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		
Balance at 1 July 2015	**70,032**	66,328
Additions	**128,040**	35,232
Depreciation expense	**(33,840)**	(31,528)
Balance at 30 June 2016	**164,232**	70,032

NOTE 11. INTANGIBLE ASSETS

	2016	2015
	$	$
Goodwill		
Carrying value	**3,120,250**	3,041,134
	3,120,250	3,041,134
Intellectual property rights		
Carrying value	**5,406,381**	6,141,250
	5,406,381	6,141,250
Total Intangible assets	**8,526,631**	9,182,384

Movement in carrying values

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

	2016	2015
Goodwill		
Opening Balance	**3,041,134**	3,022,752
Foreign currency revaluation	**79,116**	18,382
Closing balance	**3,120,250**	3,041,134
Intellectual property rights		
Opening Balance	**6,141,250**	5,423,975
Foreign currency revaluation	**(734,869)**	717,275
Closing balance	**5,406,381**	6,141,250

Impairment disclosures

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

	2016	2015
ERST European Retail Systems Technology GmbH	**3,120,250**	3,041,134
Other	**-**	-
Total	**3,120,250**	3,041,134

Goodwill was recorded in relation to the acquisition of ERST European Retail Systems Technology GmbH on 1 July 2008. Goodwill is assessed annually for impairment.

Intellectual Property Rights are allocated to cash generating units which are based on the Group's reporting segments.

	2016	2015
Urgent Technology Limited	**5,406,381**	6,141,250
Other	**-**	-
Total	**5,406,381**	6,141,250

Intellectual Property Rights have been recorded in relation to the acquisition of Urgent Technology Limited on 28 May 2010. At the date of the acquisition the excess of the purchase consideration over the Net Tangible Assets acquired was identified as the right to use the eMaintenance Software in servicing the customers of Urgent Technology Limited. The eMaintenance software was subsequently sold by Urgent Technology Limited to Techniche Limited on 14 March 2012, however the rights to use the software remained with Urgent Technology Limited. There is no expiry to the Intellectual Property Rights and the eMaintenance software continues to be maintained. Therefore, the rights have been assessed as having indefinite useful lives and are assessed annually for impairment.

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections utilising financial budgets approved by the directors over a five-year period and where justified an additional five year terminal value discounted at a pre-tax discount rate of 18.0%. 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.

Scenario testing using reasonable possible changes in the assumptions used had no significant impact on the impairment of these assets

NOTE 12. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1. All subsidiaries have share capital consisting solely of ordinary shares held directly by the Group.

	Country of incorporation	Percentage owned *	
		2016	2015
Subsidiaries of Techniche Limited:		%	%
Techniche Holdings USA Inc.	USA	100	100
ERST International Pty Ltd	Australia	100	100
ERST European Retail Systems Technology GmbH	Germany	100	100
Urgent Technology Limited	United Kingdom	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*

NOTE 13. INVESTMENT IN JOINT VENTURE

a. **Information about investment in Joint Venture**

Set out below is the joint arrangement of the Company as at 30 June 2016, which in the opinion of the directors are material to the Group:

Name of Associate	Classification of Joint Arrangement	Place of Business/ Country of Incorporation	Proportion of Ownership Interest/ Participating Share		Measurement at Equity Method or Fair Value
			As at 30 June 2016	As at 30 June 2015	
Network Monitoring Holdings Pty Ltd	Joint Venture	Australia	50%	50%	Equity method

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

NOTE 13. INVESTMENT IN JOINT VENTURE (CONTINUED)

b. **Summarised financial information of Joint Venture**

Set out below is the summarised financial information of Network Monitoring Holdings Pty Ltd and its Controlled Entities that is material to the Group:

	30-Jun-16	30-Jun-15
Summarised Statement of financial position		
Cash & cash equivalents	1,385,983	1,273,859
Other current assets	1,076,920	1,056,011
Total current assets	**2,462,903**	**2,329,870**
Non-current assets	**8,025,682**	**7,744,420**
Financial liabilities (excluding trade payables)	-	1,184,179
Other current liabilities	3,620,519	3,044,098
Total current liabilities	**3,620,519**	**4,228,277**
Non-current financial liabilities (excluding trade payables)	2,500,000	2,500,000
Other non-current liabilities	840,748	717,041
Total non-current liabilities	**3,340,748**	**3,217,041**
Net assets	**3,527,318**	**2,628,972**
Reconciliation of carrying amounts:		
Opening net assets 1 July	2,628,972	2,627,519
Contributions to joint venture during the year		
Profit/(loss) for the period	898.346	1,453
Other comprehensive income	-	-
Dividends paid	-	-
Carrying amount	**3,527,318**	**2,628,972**
Group's share in %	**50%**	**50%**
Group's share in $ (carrying value)	**1,763,659**	**1,314,486**
Summarised statement of profit or loss and other comprehensive income		
Revenue	6,082,239	5,295,599
Interest income	18,122	31,124
Depreciation and amortisation	(513,125)	(368,558)
Interest expense	(179,137)	(241,387)
Income tax (expense)/benefit	(13,083)	325,643
Profit from continuing operations	**898,346**	**1,453**
Profit for the period	**898,346**	**1,453**
Group's share of Joint Venture net profit after tax	**449,173**	**727**

NOTE 14. TRADE AND OTHER PAYABLES

	2016	2015
	$	$
Current liabilities		
Trade payables	**192,536**	146,312
Sundry payables and accrued expenses	**132,250**	319,172
	324,786	465,484

NOTE 15. CURRENT TAX LIABILITIES

	2016	2015
	$	$
Current liabilities		
German income tax payable	**67,247**	65,408
United Kingdom income tax payable	**-**	45,199
Other taxes payable	**(571)**	27,956
	66,676	138,563

NOTE 16. PROVISIONS

	2016	2015
	$	$
Short term employee entitlements		
Balance at 1 July	**88,897**	59,858
Additional provisions	**246,303**	227,642
Amounts used	**(271,364)**	(198,603)
Balance at 30 June	**63,836**	88,897
Other provisions	**154,474**	143,039
Balance at 30 June	**218,310**	231,936
Long term employee benefits		
Balance at 1 July	**-**	-
Additional provisions	**-**	-
Unused amounts reversed	**-**	-
Balance at 30 June	**-**	-
Analysis of total employee provisions		
Current	**63,836**	88,897
Non-current	**-**	-
	63,836	88,897

NOTE 17. ISSUED CAPITAL

	2016 Number	2015 Number	2016 $	2015 $
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) **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 has no exposure to borrowings as at 30 June 2016 since the equity based accounted share of debt within the Company's investment in Statseeker was fully paid dung the year [2015: $1,184,179].

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

NOTE 18. RESERVES

	2016 $	2015 **$**
Foreign Currency Translation Reserve	1,460,542	1,176,271

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary

NOTE 19. CAPITAL AND LEADING COMMITMENTS

	2016 $	2015 **$**
a) **Operating lease commitments**		
Non-cancellable operating leases contracted for but not capitalised in the financial statements.		
Payable – minimum lease payments:		
Not later than one year	**366,636**	461,975
Later than one year but not later than five years	**1,093,906**	714,296
	1,460,542	1,176,271

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.

Based on these criteria the Group has identified the following segments:

I. Urgent Technology business supplying contractor management solutions using eMaintenance proprietary software and other data consultancy services conducted by Urgent Technology Limited in UK and Europe, Urgent Technology USA LLC in North America, Urgent Technology Australasia Pty Ltd in Australia and New Zealand.
II. ERST conducting a discrete business supplying data transfer and processing services to European customers through its Hamburg office.
III. Corporate / Techniche Ltd undertaking a role in managing investments and undertaking overall direction of strategy including acquisitions and divestments.

During the 2016 financial year the management of the Urgent group of companies was transferred from the UK to the USA however the majority of product development and sub-contracting support services continues to be sourced from the UK operations. The Australian operations of Urgent are also dependent on technical support from the UK legal entity. While each business unit enters into contractual arrangements with its customers no business is functionally independent of the UK business unit and USA based management. Additionally, the UK business unit is managing the on-going development of the eMaintenance product which will be used throughout the Urgent group. On this basis it is considered that the Urgent business units constitute a separate and discrete segment for reporting segment information.

ERST continued as self-sustaining business managed independently by a Chief Executive Officer resident in Hamburg Germany with minimal supervision exercised through the company's supervisory board dominated by directors of the Parent Entity.

The corporate segment represents the cost of strategic planning for investment and divestiture decisions that are intended to add shareholder value with particular emphasis, but not limited to, computer software based technology companies. Such value to be achieved through the acquisition and retention of IP businesses that benefit from access to capital and management expertise. The strategy of Techniche Ltd is to take emerging technology businesses to a new level as a springboard for technical innovation and growth which will be reflected in Techniche Ltd shares increasing in value and hence overall market capitalisation and crystallisation of market value.

The following is an analysis of the revenue and results for the periods ending 30 June 2016 and 30 June 2015, analysed by geographic segment, which is Techniche Limited’s primary basis of segmentation both in relation to its current business units and further acquisitions where such operations demonstrate the requisite 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) 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.

NOTE 20. OPERATING SEGMENTS (CONTINUED)

	TCN Corporate		Urgent Group		ERST GmbH		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	$	$	$	$	$	$	$	$
Provision of IT services	**-**	-	**4,803,661**	5,778,362	**3,734,140**	3,284,708	**8,537,801**	9,063,070
Intra-segment sales	**-**	-	**160,565**	264,585	**-**	-	**160,565**	264,585
Inter-segment sales	**1,590,803**	1,383,146	**-**	-	**-**	-	**1,590,803**	1,383,146
Segment sales revenue	**1,590,803**	1,383,146	**4,964,226**	6,042,947	**3,734,140**	3,284,708	**10,289,169**	10,710,801
Equity accounted profits of joint ventures	**449,173**	727	**-**	-	**-**	-	**449,173**	727
Other revenue	**214,774**	190,623	**-**	-	**-**	110,660	**214,774**	301,283
Total segment revenue before elimination	**2,254,750**	1,574,496	**4,964,226**	6,042,947	**3,734,140**	3,395,368	**10,953,116**	11,012,811
Reconciliation of segment revenue to group revenue:								
Elimination entries for revenue on consolidation							**(1,771,142)**	(1,760,264)
Total revenue							**9,181,974**	9,252,547
Profit/(loss) with inter-segment charges	**789,015**	1,477,923	**(741,187)**	634,421	**1,223,588**	1,061,804	**1,271,416**	3,174,148
Income tax expense	**(26,522)**	(13,088)	**160,987**	96,323	**(406,266)**	(335,156)	**(271,801)**	(251,921)
Segment result after tax	**762,493**	1,464,835	**(580,200)**	730,744	**817,322**	726,648	**999,615**	2,922,227
Intra-group charges							**(1,758)**	(15,265)
Total contribution after tax							**997,857**	2,906,962
Segment assets	**19,981,494**	20,481,251	**7,867,199**	8,525,497	**2,393,789**	1,486,845	**30,242,482**	30,493,593
Inter-segment elimination	**(6,562,486)**	(6,373,133)	**(5,792,735)**	(5,797,788)	**-**	-	**(12,355,221)**	(12,170,921)
Total consolidated assets	**13,419,008**	14,108,118	**2,074,464**	2,727,709	**2,393,789**	1,486,845	**17,887,261**	18,322,672
Segment liabilities	**637,992**	786,640	**8,184,368**	8,204,925	**492,310**	403,942	**9,314,670**	9,395,507
Inter-segment elimination	**(567,679)**	(708,994)	**(6,996,345)**	(6,630,624)	**(204,039)**	(180,669)	**(7,768,063)**	(7,520,287)
Total consolidated liabilities	**70,313**	77,646	**1,188,023**	1,574,301	**288,271**	223,273	**1,546,607**	1,875,220
Depreciation and amortization expense	**1,051**	434	**24,589**	21,535	**8,200**	9,559	**33,840**	31,528
Acquisition of property, plant and equipment	**2,208**	2,232	**125,182**	31,082	**650**	2,428	**128,040**	35,742

NOTE 21. CASH-FLOW INFORMATION

	2016	2015
	$	$

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 on call. Cash at the end of the period as shown in the Consolidated Statement of Cash Flows is recorded as follows:

	2016	2015
Cash at bank and on hand	**3,830,471**	4,313,931
	3,830,471	4,313,931

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

	2016	2015
Profit after income tax	**997,857**	2,906,961
Non cash flows in profit/(loss):		
Depreciation	**33,840**	31,528
Share of (profit)/loss of from joint venture	**(449,173)**	(727)
Unrealised foreign exchange (gains) / losses	**586,598**	(715,661)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(247,735)**	(522,666)
(Increase)/decrease in inventories	**-**	-
(Increase)/decrease in other current assets	**87,308**	(232,883)
(Increase)/decrease in current tax assets	**-**	-
Decrease/(increase) in payables	**(243,081)**	551,557
Decrease/(increase) in provisions	**(71,887))**	(414,192)
Decrease/(increase) in current tax liabilities	**(13,626)**	(489,400)
Cash flows from operations	**680,101**	1,114,517

NOTE 22. CONTINGENT LIABILITIES

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

NOTE 23. RELATED PARTY TRANSACTIONS

Techniche Limited is the ultimate parent entity in the wholly owned 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 entities are in the respective classification categories in the financial statements. The nature, terms and conditions of each different type of transaction area are as follows:

- Loans between the Company and its controlled entities are unsecured and advanced on an interest free basis
- Service fees charged by the Company to its controlled entities are for management and facilities services
- 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. During the year, the Group has conducted the following related party transactions:

- The Company together with NBC Capital have each provided a subordinated loan to Network Monitoring Holdings Pty Ltd [‘NMH”] to provide working capital for Statseeker. The loan is an unsecured interest bearing loan with interest rate at BBSY + 2% or 6% whichever is higher and to be accrued and calculated on a monthly basis. The loan and the interest portion will be repayable no later than 2 September 2018. At 30 June 2016, the loan balance including accrued interest totalled $1,443,750 [2015: $1,368,750] with $50,000 recorded as current assets and the remainder as non-current assets in the Statement of Financial Position.
  Bruce Scott, a director of Techniche Limited is a director of NBC Capital and has a beneficial interest in NBC Capital.
- The group has a management agreement with NMH which charges fees at a rate of 10% per year of the contributed investment in the company from the date of the original acquisition of 2 September 2013. As at 30 June 2016, accrued management fees were $340,000 [2015: $220,000]. The receivable inclusive of GST has recorded $110,000 as current asset and the remaining $264,000 as a non-current asset.
- Rent paid to Jacoby Management Services (a company associated with Executive Chairman, Karl Jacoby) for use of principal place of business office for the year ended 30 June 2016 was $6,000 [2015: $6,000].

Key Management Personnel compensation

	2016 $	2015 $
Short-term employee benefits	**956,583**	1,064,281
Post-employment benefits	**93,868**	49,304
Termination Payments	**179,939**	-
	1,230,390	1,113,585

Detailed remuneration disclosures are provided in the remuneration report on pages 11 to 14.

NOTE 24. 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.

	2016	2015
	$	$
Financial assets		
Cash and cash equivalents	**3,830,471**	4,313,931
Trade and other receivables	**1,602,796**	1,694,060
Loan to associated entities	**1,443,750**	1,368,750
Other receivables from associated entities	**264,000**	-
	7,141,017	7,376,741
Financial liabilities		
Trade and other payables	**324,786**	465,485

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 defer 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.

Financial assets and liabilities maturity analysis

	Effective Interest Rate		**Within 1 year**		**1 to 5 years**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
	%	**%**	**$**	**$**	**$**	**$**	**$**	**$**
Financial Assets								
Cash and cash equivalents	**0.0**	0.1	**3,830,471**	4,313,931	**-**	-	**3,830,471**	4,313,931
Trade and other receivables	**-**	-	**1,602,796**	1,694,060	**-**	-	**1,602,796**	1,694,060
Loan to associated entities	**6.0**	6.0	**50,000**	-	**1,393,750**	1,368,750	**1,443,750**	1,368,750
Other receivables from associated entities	**-**	-	**-**		**264,000**	**-**	**264,000**	-
			5,483,267	6,007,991	**1,657,750**	1,368,750	**7,141,017**	7,376,741
Financial Liabilities								
Trade and other payables	**-**	-	**324,786**	465,485	**-**	-	**324,786**	465,485
Net financial assets / (liabilities)			**5,158,481**	5,542,506	**1,657,750**	1,368,750	**6,816,231**	6,911,256

NOTE 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

Net financial assets/(liabilities) in AUD

	AUD	EURO	GBP	USD	Indian Rupee	Total AUD
2016						
Functional currency of Group						
Australian Dollars	1,870,530	-	-	-	-	1,870,530
Euro Dollars	-	2,879,719	-	-	-	2,879,719
Great British Pounds	-	-	1,618,878	-	-	1,618,878
United States Dollars				437,072	-	437,072
Indian Rupees	-	-	-	-	10,032	10,032
Balance sheet exposure	1,870,530	2,879,719	1,618,878	437,072	10,032	6,816,231
Year-end exchange rate		0.6699	0.5549	0.7426	50.19	
2015						
Functional currency of Group						
Australian Dollars	1,696,350	-	-	-	-	1,696,350
Euro Dollars	-	3,171,721	-	-	-	3,171,721
Great British Pounds	-	-	1,484,168	-	-	1,484,168
United States Dollars				554,417	-	554,417
Indian Rupees	-	-	-	-	4,600	4,600
Balance sheet exposure	1,696,350	3,171,721	1,484,168	554,417	4,600	6,911,256
Year-end exchange rate		0.6866	0.4885	0.7680	48.95	

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 60 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.

	2016	2015
	$	$
Cash and cash equivalents		
- AA Rated	**2,519,448**	3,342,390
- A Rated	**1,311,023**	971,541
	3,830,471	4,313,931

NOTE 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

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		
2016	**34,229**	**34,229**
2015	31,371	31,371
Strengthening of AUD against other currencies by 10%		
2016	**(608,805)**	**(217,629)**
2015	(777,633)	(194,382)

NOTE 25. AFTER BALANCE DATE EVENTS

Subsequent to year end, on the 25th August 2016 the Company declared a dividend of 0.35 cents per share. This dividend will be unfranked and payable on 30 September 2016. The record date for determining the entitlements to this dividend is 9 September 2016.

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

NOTE 26. DISCONTINUED OPERATIONS

Urgent Technology Private Limited has ceased operations of providing support for the Urgent Group and is being managed as a dormant entity. The remaining net assets and net income are immaterial to the Techniche Group and as such, have not been shown as profit/loss from discontinued operations in the statement of comprehensive income.

NOTE 27. COMPANY DETAILS

The registered office of Techniche Limited in Australia is:

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

The principal place of business of Techniche Limited in Australia is:

Unit 20, 43 Lang Parade
Auchenflower QLD 4066

Other places of business are:

ERST European Retail Systems Technology GmbH Högerdamm 39,
20097 Hamburg
Germany

Urgent Technology Limited
Powerhouse, Harrison Close
Knowlhill, Milton Keynes, MK5 8PA
United Kingdom

Urgent Technology USA LLC
155 N Wacker Drive
Ste 4250, Chicago IL 60606 USA

Urgent Technology Australasia Pty Limited
Suite 1503, Level 15 530 Little Collins Street
Melbourne VIC 3000

In the directors' opinion:

1. the financial statements and notes, as set out on pages 29 to 59 are in accordance with the *Corporations Act 2001* including:
    a. complying 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 the Corporations Regulations 2001; and
    b. giving a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company and consolidated group;
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

The directors have been given the declarations from the Chief Executive Officer and the Group Financial Controller required by section 295A of the *Corporations Act 2001*.

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

Karl P Jacoby

Chairman

Bruce Scott

Director

Brisbane, 22 September 2016

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 ("the company") and its Controlled Entities ("the group") which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 group 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 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 group'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 group'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.

PKF Hacketts Audit
ABN 33 873 151 348

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TECHNICHE LIMITED
(continued)

Opinion

In our opinion:

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

   (i) giving a true and fair view of the group's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

(b) the 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 included in pages 22 to 27 of the Directors' Report for the year ended 30 June 2016. 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.

Opinion

In our opinion the Remuneration Report of Techniche Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

PKF HACKETTS

PKF Hacketts Audit

Liam Murphy
Brisbane, 22 September 2016
Partner