# Techniche

## MARKET RELEASE

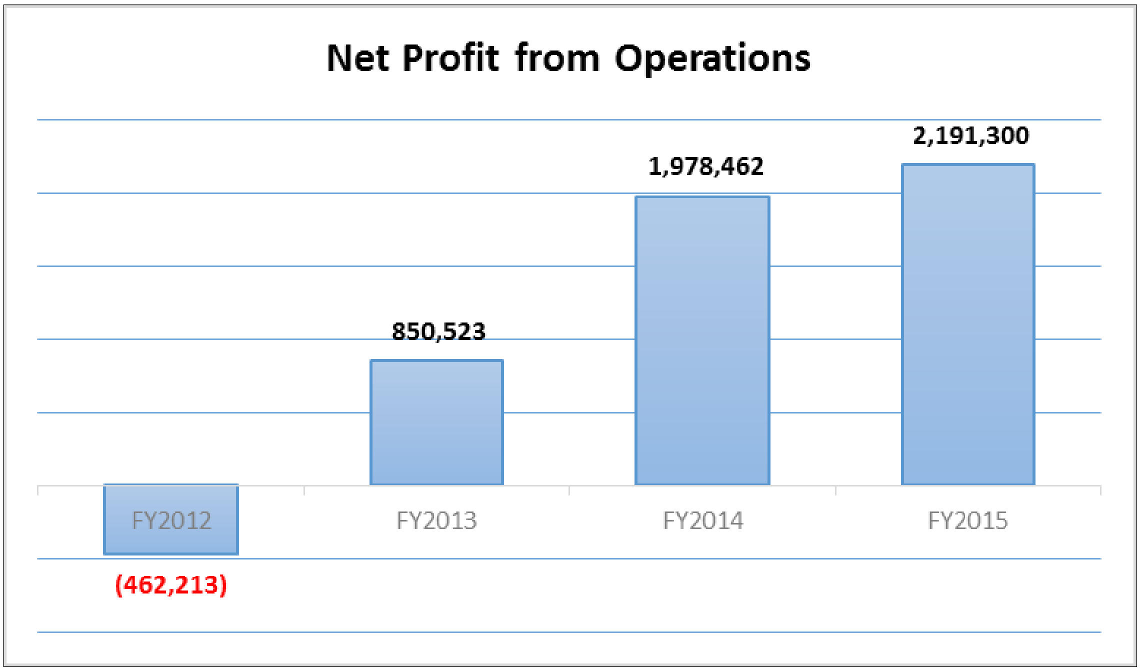
**Brisbane, Australia, 28 August 2015**

# Techniche Limited - Consolidated Financial Results

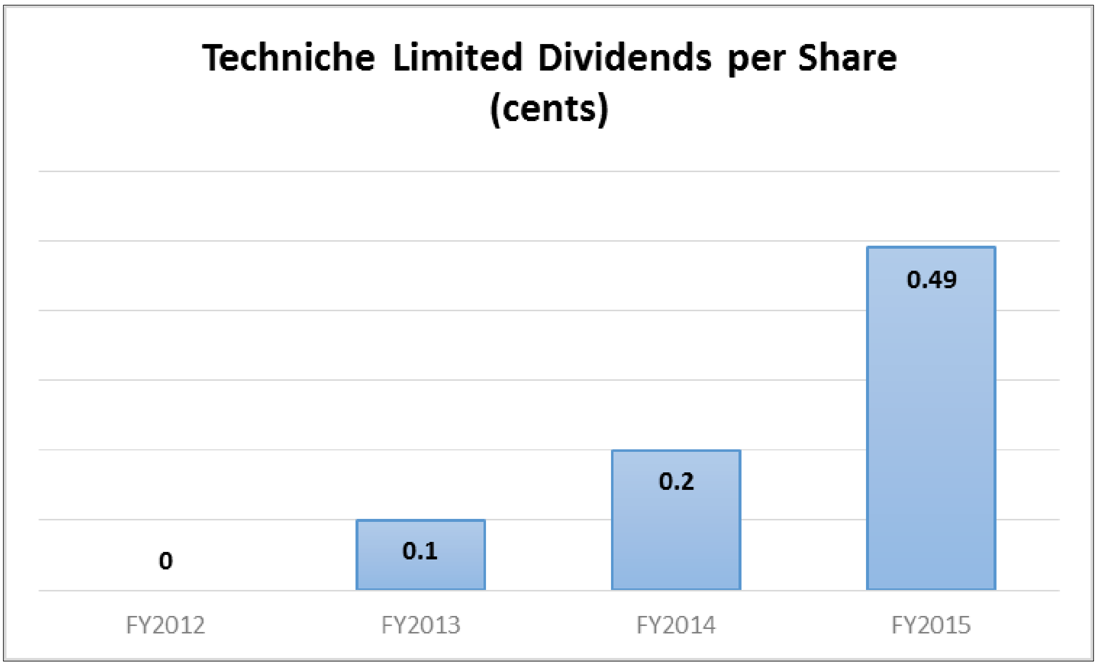
Techniche Limited (ASX: TCN) is pleased to announce an after tax profit of $2,906,961 for the year ended 30 June 2015 [2014 $2,470,544].

| | FY2015 | FY2014 | Change |
|---|---|---|---|
| Provision of IT Services | 9,063,070 | 8,876,653 | 2% |
| Statseeker - Interest & Management Fees | 188,750 | 150,000 | 26% |
| Statseeker - Share of Profits | 727 | 113,759 | -99% |
| Other Revenue | 199 | 7,421 | -97% |
| **Total Revenue** | **9,252,746** | **9,147,833** | **1%** |
| Unrealised Foreign Exchange Movements | 715,661 | 492,082 | 45% |
| Operating Expenses | - 6,809,525 | - 6,588,090 | 3% |
| Net Profit Before Income Tax | 3,158,882 | 3,051,825 | 4% |
| **Net Profit After Income Tax** | **2,906,961** | **2,470,544** | **18%** |
| **Net Profit From Operations (Excluding FX)** | **2,191,300** | **1,978,462** | **11%** |

The profit after tax from operations (excluding unrealised foreign exchange gains) was $2,191,300, an increase of approx. 11% on the 2014 result of $1,978,461.



The Company is pleased to announce it intends to pay a dividend of 0.49 cents per share on 30 September 2015. This is in accordance with the revised dividend payout ratio announced on 10 July 2015 whereby the ratio was increased from 25% to 50% of net profit from operations (excluding unrealised foreign exchange movements). The dividend will be unfranked and the record date for determining entitlements to this dividend is 10 September 2015.




Techniche currently owns 3 businesses, ERST GmbH, the Urgent Group of Companies and Statseeker.

The Urgent Group had another pleasing year with revenue up approx. 6%, and profits up slightly for the period.

During the period, Urgent completely rebuilt its' flagship product, eMaintenance, which has just been successfully rolled out to customers in Australia, South Africa and the US. The new version of eMaintenance, called eMaintenance Plus, is a fully web based, multi-tenanted application, and can be sold as an enterprise application, or SAAS, to a broader market.

Further enhancements are currently being developed for the product which should allow Urgent to sell the product to markets outside of petrol retail.

It is expected that Urgent could have a slightly weaker result this financial year as the completion of the current product development may impact revenue slightly.

ERST had a relatively subdued year with revenues down approx. 7% and profit contribution down approx. 12%. This is a result of limited new business opportunities in our core customer base over the period.

It is expected that ERST will have a stronger result this coming financial year with early indications of new opportunities emerging.

Statseeker had disappointing result for the period, with revenue essentially flat, while costs were higher, and resulted in a significant restructure of management and sales capability within the organization, impacting on the resulting profit.

During the period, Statseekers continued to develop further enhancements to their product, and secured a number of new “blue chip” clients.

Under the new management structure, an experienced US based CEO has been appointed, and the sales team has been enhanced with the experienced sales personnel appointed on both east and west coast of the US, Statseekers largest market, new sales resource in Australia, and a channel partner appointment in Europe.

It is expected that these appointments will have a material impact on Statseekers sales in 2015-16 financial year.

Techniche net tangible assets increased by 37.7% during the 2015 financial year from $5,275,448 to $7,265,088. Also during the year a dividend of $491,902 was paid to shareholders. The cash held at the end of the financial year increased by $627,624 from $3,686,307 to $4,313,931.

**-ends-**

**About Techniche**

Headquartered in Brisbane Australia, Techniche delivers value to shareholders by investing in profitable technology companies that improve business performance. We employ an active management approach by working with and incentivizing management, to successfully grow the businesses organically and via strategic acquisitions.

Techniche has offices in Hamburg, Germany, Milton Keynes, UK, Chicago, USA, Melbourne, Australia, and a support and currently owns the following businesses;

- ERST Technology GmbH creates software for reliable high speed data transfer solutions, helping companies to transfer mission critical data, On time, anywhere, in any format.
  https://www.erst-technology.com/

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

- Statseeker designs, develops, markets, distributes and supports a network infrastructure monitoring (NIM) software tool to blue chip enterprises around the world. Statseeker is currently deployed in over 500 customer sites spanning many industries including Government, Military, Banking, Education, Manufacturing, Aviation, Telecommunications, Retail, Publishing, Automotive and Health. Further information on Statseeker can be read at www.statseeker.com.

For further information please contact Executive Chairman Mr Karl Jacoby on 1300 556 673.

# Techniche Limited and its Controlled Entities
**ABN 83 010 506 162**

**Appendix 4E**
**Preliminary Consolidated Final Report**
**For the Year ended 30 June 2015**
**(previous corresponding period: Year ended 30 June 2014)**

## Results for Announcement to the Market

| Key Information | 2015 $ | 2014 $ | Change | Change % |
|---|---|---|---|---|
| Revenue from ordinary activities | 9,252,020 | 9,034,074 | 217,946 | 2.4% |
| Profit after tax from ordinary activities attributable to members | 2,906,961 | 2,470,544 | 436,417 | 17.7% |
| Net profit attributable to members | 2,906,961 | 2,470,544 | 436,417 | 17.7% |

| **Dividends (distributions)** | **Amount per security** | **Franked amount per security** |
|---|---|---|
| 2014 final dividend – paid 30th September 2014 | 0.22 | nil |
| Subsequent to year end, on the 28th August the Company has declared a dividend of 0.49 cents per share. This dividend will be unfranked and payable on 30 September 2015. The record date for determining the entitlements to this dividend is on 10 September 2015. | | |

**Brief explanation of any of the figures reported above necessary to enable the figures to be understood:**

The net profit for 2015 is $2,906,961 [2014: $2,470,544]. The 2015 year profit includes an unrealized gain from currency movements on loans between group entities of $715,661. The net profit after excluding these unrealized currency gains is $2,191,300. [2014 $1,978,461]

The Current Tax Liabilities as shown on the Statement of Financial Position have decreased to $138,563 [2014: $627,963]. This was attributed to provisions which were no longer required following a review of tax treatment for eligible R&D activities in the UK. The written back provisions and on-going program of R&D in the UK have reduced the tax expense to $251,921 [2014: $581,281].

| **Earnings per ordinary fully paid share (EPS)** | **Current Period** | **Previous Corresponding Period** |
|---|---|---|
| **From continuing and discontinued operations** | | |
| Basic EPS | 1.30 cents | 1.10 cents |
| Diluted EPS | 1.30 cents | 1.10 cents |
| **From continuing operations** | | |
| Basic EPS | 1.30 cents | 1.10 cents |
| Diluted EPS | 1.30 cents | 1.10 cents |

| **NTA backing** | **Current Period** | **Previous Corresponding Period** |
|---|---|---|
| Net tangible asset backing per ordinary security | 3.25 cents | 2.36 cents |

### Investment in Associates and Joint Ventures

| Material investments in joint venture are as follows: | 2015<br>$ | 2014<br>$ |
|---|---|---|
| Network Monitoring Holdings Pty Ltd (50% holding) | 1,314,486 | 1,313,759 |
| The consolidated entity has recognised an aggregated share of net profit from joint venture listed above amounting to $727 for the year ended 30 June 2015 [year ended 30 June 2014: $113,759]. | | |

| Other significant information needed by an investor to make an informed assessment of the consolidated entity's financial performance and financial position: |
|---|
| Nil other than notes to Preliminary Consolidated Financial Report. |

## Commentary on the Results for the Period:

| |
|---|
| **Significant features of operating performance:**<br>Refer to the notes accompanying the Preliminary Consolidated Financial Report and accompanying market release. |
| **The results of segments that are significant to an understanding of the business as a whole:**<br>Refer to Note 8 in the attached preliminary financial report and comments above. |
| **Discussion of trends in performance:**<br>Refer to operating results and comments above. |
| **Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:**<br>Nil to report other than above. |

## Audit/Review Status

| This report is based on accounts to which one of the following applies:<br>(Tick one) | | | |
|---|---|---|---|
| The accounts have been audited | | The accounts have been subject to review | |
| The accounts are in the process of being audited or subject to review | ✓ | The accounts have not yet been audited or reviewed | |
| If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:<br><br>The accounts are in the process of being audited and there are no likely disputes or qualifications. | | | |

## Attachments Forming Part of Appendix 4E

| Attachment # | Details |
|---|---|
| 1 | Preliminary Consolidated Financial Report for the year ended 30 June 2015 |

Karl Phillip Jacoby
Chairman
28 August 2015

## Attachment # 1 to Preliminary Consolidated Final Report (Appendix 4E)
## Preliminary Consolidated Financial Report
## for the Year Ended 30 June 2015

# Techniche Limited

**and its Controlled Entities**
**ABN 83 010 506 162**

**Note:**

The Preliminary Consolidated Financial Report does not include all the notes of the type normally included in an Annual Consolidated Financial Report. Accordingly it is recommended that this Preliminary Consolidated Financial Report is read in conjunction with the Annual Consolidated Financial Report for Techniche Limited for the Financial Year ended 30 June 2014, the December 2014 Half Year Report and any public announcements made by Techniche Limited and its controlled entities during the year ended 30 June 2015 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

Karl Phillip Jacoby
Chairman
28 August 2015

# Consolidated Statement of Comprehensive Income
## for the year ended 30 June 2015
**Techniche Limited and Controlled Entities**

| | Notes | 2015 $ | 2014 $ |
|---|---|---|---|
| **Revenue from continuing operations** | | | |
| Provision of IT services | | **9,063,070** | 8,876,653 |
| Other Revenue | **3** | **188,949** | 157,421 |
| | | **9,252,019** | 9,034,074 |
| **Other income – unrealized foreign exchange gain / (loss)** | | **715,661** | 492,082 |
| **Expenses** | | | |
| Auditor remuneration | | **(119,403)** | (120,688) |
| Acquisition costs | | **(8,083)** | (78,964) |
| Consulting fees | | **(129,678)** | (138,711) |
| Infrastructure costs | | **(382,064)** | (357,345) |
| Depreciation expense | | **(31,528)** | (24,986) |
| Directors remuneration | | **(179,779)** | (231,504) |
| Employee benefits expense | | **(4,852,668)** | (4,644,300) |
| Realised foreign exchange losses | | **-** | (45,007) |
| Insurance | | **(77,145)** | (62,662) |
| Motor vehicle and travel expenses | | **(274,006)** | (279,613) |
| Other expenses | | **(268,475)** | (163,366) |
| Premises expenses | | **(414,124)** | (386,906) |
| Share registry and listing fees | | **(72,572)** | (54,038) |
| **Share of net profit of joint venture accounted for using the equity method** | | **727** | 113,759 |
| Profit before income tax | | **3,158,882** | 3,051,825 |
| **Income tax expense** | | **(251,921)** | (581,281) |
| **Profit for the year attributable to the members of the parent entity** | | **2,906,961** | 2,470,544 |
| Other comprehensive income | | | |
| Exchange differences arising on translation of foreign operations | | **310,240** | 128,450 |
| Income tax relating to components of other comprehensive income | | **-** | - |
| Other comprehensive income for the year | | **310,240** | 128,450 |
| **Total comprehensive income attributable to members of the parent entity** | | **3,217,201** | 2,598,994 |

*The accompanying notes form part of these financial statements.*

# Consolidated Statement of Financial Position
## as at 30 June 2015
**Techniche Limited and Controlled Entities**

| | Notes | 2015<br>$ | 2014<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | **4,313,931** | 3,686,307 |
| Trade and other receivables | | **1,694,060** | 1,240,144 |
| Other current assets | | **379,029** | 146,146 |
| **Total current assets** | | **6,387,020** | 5,072,597 |
| **Non-current assets** | | | |
| Investments in Joint Ventures | | **1,314,486** | 1,313,759 |
| Loan to associated entities | | **1,368,750** | 1,050,000 |
| Property, plant and equipment | | **70,032** | 66,328 |
| Intangible assets | **7** | **9,182,384** | 8,446,727 |
| Total non-current assets | | **11,935,652** | 10,876,814 |
| **Total assets** | | **18,322,672** | 15,949,411 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | | **146,312** | 79,067 |
| Unearned income | | **1,039,217** | 874,077 |
| Current tax liabilities | | **138,563** | 627,963 |
| Short term provisions | | **551,108** | 646,128 |
| **Total current liabilities** | | **1,875,200** | 2,227,235 |
| **Non-current liabilities** | | | |
| Total non-current liabilities | | **-** | - |
| **Total liabilities** | | **1,875,200** | 2,227,235 |
| **NET ASSETS** | | **16,447,472** | 13,722,175 |
| Equity | | | |
| Issued capital | | **70,338,778** | 70,338,778 |
| Reserves | | **(956,148)** | (1,266,388) |
| Accumulated losses | | **(52,935,158)** | (55,350,215) |
| **TOTAL EQUITY** | | **16,447,472** | 13,722,175 |

*The accompanying notes form part of these financial statements.*

# Consolidated Statements of Changes in Equity
## for the year ended 30 June 2015
**Techniche Limited and Controlled Entities**

| | Ordinary shares | Retained earnings | FX translation reserve | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Balance at 30 June 2013** | 70,338,778 | (57,597,167) | (1,394,838) | 11,346,773 |
| Profit attributable to members of the parent entity | - | 2,470,544 | - | 2,470,544 |
| Total other comprehensive income | - | - | 128,450 | 128,450 |
| **Sub total** | 70,338,778 | 2,470,544 | 128,450 | 2,598,994 |
| Dividends paid or provided for | - | - | - | - |
| **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** |

*The accompanying notes form part of these financial statements.*

# Consolidated Statement of Cash Flows
## for the year ended 30 June 2015
**Techniche Limited and Controlled Entities**

| | Note | 2015<br>$ | 2014<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | **9,095,166** | 9,053,127 |
| Payments to suppliers and employees | | **(7,239,327)** | (6,576,443) |
| Interest received | | **-** | - |
| Income tax refund / (paid) | | **(741,322)** | (142,894) |
| **Net cash provided by (used in) operating activities** | | **1,114,517** | 2,333,790 |
| **Cash flows from investing activities** | | | |
| Purchase of plant and equipment | | **(35,232)** | (38,635) |
| Purchase of shares in joint venture | | **-** | (1,200,000) |
| Payment of related party loans | | **(250,000)** | (1,000,000) |
| **Net cash provided by (used in) investing activities** | | **(285,232)** | (2,238,635) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | | **-** | - |
| Dividends paid | | **(491,903)** | (223,592) |
| **Net cash provided by (used in) financing activities** | | **(491,903)** | (223,592) |
| **Net increase (decrease) in cash held** | | **337,382** | (128,437) |
| Effects of functional currency exchange rate changes | | **290,242** | 144,969 |
| Cash at the beginning of the year | | **3,686,307** | 3,669,775 |
| **Cash at the end of the year** | | **4,313,931** | 3,686,307 |

*The accompanying notes form part of these financial statements.*

# Notes to the Preliminary Consolidated Financial Report

Techniche Limited and its Controlled Entities Preliminary Consolidated Financial Report for the Year Ended 30 June 2015

## Note 1. Statement of significant accounting policies

### Statement of Compliance

The preliminary consolidated financial report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E, Australian Accounting Standards and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The preliminary consolidated financial report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for Techniche Limited for the financial year ended 30 June 2014, the December 2014 half-year report and any public announcements made by Techniche Limited and its controlled entities during the year ended 30 June 2015 in accordance with the continuous disclosure requirements of the Listing Rules of the Australian Securities Exchange.

The preliminary consolidated financial report was authorised for issue by the Directors on 27 August 2015.

### Basis of preparation

The preliminary financial report has been prepared on an accruals and going concern 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. All amounts are presented in Australian dollars, unless otherwise noted.

### Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of the preliminary financial report are consistent with those adopted and disclosed in the Company's 2014 annual financial report for the year ended 30 June 2014, other than detailed below. Where appropriate, comparative information is reclassified to enhance comparability.

### Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Techniche Limited) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

## Notes to the Preliminary Consolidated Financial Report

Techniche Limited and its Controlled Entities Preliminary Consolidated Financial Report for the Year Ended 30 June 2015

## Note 1. Statement of significant accounting policies (continued)

### Interests in Joint Arrangements

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.

### Adoption of new and revised Accounting Standards

The Group has applied the following accounting standards and amendments (to the extent that is relevant to the Group) for the first time for their annual reporting period commencing 1 July 2014:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities;
- AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets;
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting; and
- Interpretation 211: Levies.

  The adoption of these new standards did not materially affect any of the amounts recognised in the current period and are not likely to affect future periods.

### New 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 for annual reporting periods commencing 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.

  Although the directors anticipate that the adoption of AASB 9 may have an impact on the Group’s financial instruments, 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 commencing on or after 1 January 2017).

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

# Notes to the Preliminary Consolidated Financial Report

Techniche Limited and its Controlled Entities Preliminary Consolidated Financial Report for the Year Ended 30 June 2015

## Note 2. Subsequent Events

Subsequent to year end, on the 28th August the Company has declared a dividend of 0.49 cents per share. This dividend will be unfranked and payable on 30 September 2015. The record date for determining the entitlements to this dividend is on 10 September 2015.

## Note 3. Profit from operations

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

| | CONSOLIDATED ENTITY | |
|---|---|---|
| | **2015** | **2014** |
| | **$** | **$** |
| **Other revenue** | | |
| management fee received from associate | **120,000** | 100,000 |
| interest received from associate | **68,750** | 50,000 |
| interest received from other persons | **199** | 2,344 |
| other revenue | - | 5,077 |
| | **188,949** | 157,421 |

## Note 4. Earnings per share

| | | | |
|---|---|---|---|
| **a.** | **Reconciliation of earnings to profit or loss** | | |
| | Earnings used to calculate basic earnings per share | **2,906,961** | 2,470,544 |
| | Earnings used to calculate diluted earnings per share | **2,906,961** | 2,470,544 |
| **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)** | | **1.30 cents** | 1.10 cents |
| **Diluted earnings per share (cents per share)** | | **1.30 cents** | 1.10 cents |
| **Earnings per share from continuing operations – Basic/Diluted** | | **1.30 cents** | 1.10 cents |
| **c.** | **Net tangible assets per share** | | |
| | Net amount | **7,265,088** | 5,275,448 |
| | **Per share (cents)** | **3.25** | 2.36 |

## Note 5. Contingent liabilities and contingent assets

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

## Note 6. Foreign Entities

The financial information for the wholly owned subsidiaries, ERST GmbH, Urgent Technology Ltd and Urgent Technology USA LLC, domiciled in Germany, the United Kingdom and the United States of America respectively, have been prepared in accordance with International Financial Reporting Standards.

## Notes to the Preliminary Consolidated Financial Report

Techniche Limited and its Controlled Entities Preliminary Consolidated Financial Report for the Year Ended 30 June 2015

## Note 7. Intangibles

| | 30 June 2015 $ | 30 June 2014 $ |
|---|---|---|
| **Goodwill** | | |
| Carrying value | **3,041,134** | 3,022,752 |
| | **3,041,134** | 3,022,752 |
| **Intellectual property rights** | | |
| Carrying value | **6,141,250** | 5,423,975 |
| | **6,141,250** | 5,423,975 |
| **Total Intangible assets** | **9,182,384** | 8,446,727 |
| **Movement in carrying values** | | |
| Movement in the carrying amounts of each class of intangible asset between the beginning and end of the financial period | | |
| **Goodwill** | | |
| Opening Balance | **3,022,752** | 3,030,452 |
| Foreign currency revaluation | **18,382** | (7,700) |
| **Closing balance** | **3,041,134** | 3,022,752 |
| **Intellectual property rights** | | |
| Opening Balance | **5,423,975** | 4,940,711 |
| Foreign currency revaluation | **717,275** | 483,264 |
| **Closing balance** | **6,141,250** | 5,423,975 |

# Notes to the Preliminary Consolidated Financial Report

Techniche Limited and its Controlled Entities Preliminary Consolidated Financial Report for the Year Ended 30 June 2015

## Note 8. Operating segments

| | TCN Corporate | | Urgent Group | | ERST GmbH | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | $ | $ | $ | $ | $ | $ | $ | $ |
| **Provision of IT services** | **-** | - | **5,778,362** | 5,260,839 | **3,284,708** | 3,615,814 | **9,063,070** | 8,876,653 |
| **Intra-segment sales** | **-** | - | **264,585** | 611,267 | **-** | - | **264,585** | 611,267 |
| **Inter-segment sales** | **1,383,146** | 1,039,403 | **-** | - | **-** | - | **1,383,146** | 1,039,403 |
| **Segment sales revenue** | **1,383,146** | 1,039,403 | **6,042,947** | 5,872,106 | **3,284,708** | 3,615,814 | **10,710,801** | 10,527,323 |
| **Other revenue** | **190,623** | 154,968 | **27** | 575 | **110,827** | 131,809 | **301,477** | 287,352 |
| **Total segment revenue before elimination** | **1,573,769** | 1,194,371 | **6,042,974** | 5,872,681 | **3,395,535** | 3,747,623 | **11,012,278** | 10,814,675 |
| **Reconciliation of segment revenue to group revenue:** | | | | | | | | |
| **Elimination entries for revenue on consolidation** | | | | | | | **(1,760,259)** | (1,780,601) |
| **Total revenue** | | | | | | | **9,252,019** | 9,034,074 |
| **Profit/(loss) with inter-segment charges** | **1,477,196** | 729,160 | **654,952** | 848,676 | **1,061,533** | 1,354,585 | **3,193,681** | 2,932,421 |
| **Equity accounted profits of joint ventures** | **727** | 113,759 | **-** | - | **-** | - | **727** | 113,759 |
| **Income tax expense** | **(13,088)** | (20,066) | **96,323** | (123,757) | **(335,156)** | (437,457) | **(251,921)** | (581,280) |
| **Segment result after tax** | **1,464,835** | 822,853 | **751,275** | 724,919 | **726,377** | 917,128 | **2,942,487** | 2,464,900 |
| **Intra-group charges** | | | | | | | **(35,526)** | 5,644 |
| **Total contribution after tax** | | | | | | | **2,906,961** | 2,470,544 |
| **Segment assets** | **20,481,251** | 18,431,526 | **8,525,497** | 8,533,359 | **1,486,845** | 6,127,593 | **30,493,593** | 33,092,478 |
| **Inter-segment elimination** | **(6,373,133)** | (7,073,835) | **(5,797,788)** | (5,870,461) | **-** | (4,198,771) | **(12,170,921)** | (17,143,067) |
| **Total consolidated assets** | **14,108,118** | 11,357,691 | **2,727,709** | 2,662,898 | **1,486,845** | 1,928,822 | **18,322,672** | 15,949,411 |
| **Segment liabilities** | **786,640** | 12,370,007 | **8,204,925** | 1,655,201 | **403,942** | 641,243 | **9,395,507** | 14,666,451 |
| **Inter-segment elimination** | **(708,994)** | (10,402,963) | **(6,630,624)** | (1,547,126) | **(180,359)** | (489,126) | **(7,520,307)** | (12,439,215) |
| **Total consolidated liabilities** | **77,646** | 1,967,044 | **1,574,301** | 108,075 | **223,273** | 152,117 | **1,875,200** | 2,227,236 |
| **Depreciation and amortisation expense** | **434** | 1,169 | **21,535** | 13,668 | **9,559** | 10,149 | **31,528** | 24,986 |
| **Acquisition of property, plant and equipment** | **2,232** | | **31,082** | 28,932 | **2,428** | 14,926 | **35,742** | 43,858 |