TECHNICHE LIMITED

AND CONTROLLED ENTITIES

ABN 83 010 506 162

2014 ANNUAL REPORT

Index

Techniche Limited and Controlled Entities

Corporate Directory
Techniche Limited and Controlled Entities

Directors

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

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

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Auchenflower Queensland 4066

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Toowong QLD 4066

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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 3, 549 Queen Street
Brisbane Queensland 4000

Bankers

HSBC Bank Australia Limited
300 Queen Street
Brisbane Queensland 4000

Commonwealth Bank of Australia
240 Queen Street
Brisbane Queensland 4000

Commerzbank
Hamburg, Germany

Domicile and Country of Incorporation

Australia

Solicitors

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

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange.

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
Grahame Done	Chief Executive Officer Urgent Technology Limited
Jesse Klebba	President Urgent Technology USA LLC
David Wilson	Group Financial Controller Techniche Limited

Chairman’s Address

Techniche Limited and Controlled Entities

Dear Shareholders,

I am pleased to advise that the Group announced an after tax profit of $2,470,544 for the year ended 30 June 2014, a significant improvement on the 2013 result of $1,081,185. Furthermore, the profit after tax and excluding unrealised foreign exchange gains was $1,978,461 [2013: $840,769].

There was a slight increase in cash held at the end of the financial year, from $3,669,775 to $3,686,307. This is also a pleasing result, as during the year a dividend of $223,592 was paid to shareholders, and the Group invested $2,200,000 in the acquisition of a 50% interest in Statseeker, a Brisbane based network monitoring business.

Net tangible assets increased by 56.3% during the 2014 financial year from $3,375,610 to $5,275,448.

I am also pleased to confirm the payment of a dividend of 0.22 cents per share on 30 September 2014. This dividend will be unfranked and the record date for determining entitlements to this dividend was 10 September 2014.

OPERATIONAL REVIEW

ERST Technology had another strong year with $917,128 [2013: $801,406] after tax profit contribution to the Group. Carry forward contracted revenue is approximately 86% of forecast revenue for the 2015 year. This business continues to be ably managed by Thomas Huben and his team and provides its managed file transfer product and managed services to a range of clients, including BP and EDEKA. A number of initiatives remain in place to broaden its customer base and reduce its reliance on a few customers.

Urgent Technology Group had an excellent year with $724,919 [2013: $27,199] after tax profit contribution to the Group. Revenue increased to $5,260,839 (2013 $3,481,039). This is primarily attributed to the rebuild of the eMaintenance product, as well some new eMaintenance contracts won in the USA. Carry forward contracted revenue is approximately 65% of forecast revenue for the 2015 year. The business continues to be managed by Grahame Done, Urgent’s CEO, and Jesse Klebba, Urgent’s USA President, and the focus remains to grow new business sales through both partnering relationships and Urgent’s direct sales team.

Statseeker had a satisfactory 2014 contributing $263,759, through a combination of the share of net profit of joint venture accounted for using the equity method of $113,759, plus management fees of $100,000, and interest payments of $50,000. Revenue was similar to the prior year but short of the target set by management. This was primarily as a result of the loss of a key sales resource upon acquisition. Carry forward contracted revenue is approximately 57% of forecast revenue for the 2015 year. The business continues to be managed by Martin Reed and the focus remains to grow new business sales through Statseeker’s direct sales team and value added resellers.

CORPORATE REVIEW

The Group continues to operate under a very lean business model with the CEO’s of the business units reporting directly to myself as the Executive Chairman.

As mentioned in my report of last year, we commenced a strategic review of Techniche and it’s subsidiaries. This resulted in new strategic plans being created for each business in the Techniche Group.

With regards to Techniche, we remain a technology investment company that provides long term growth in earnings per share and dividends to our shareholders. We continue to employ an active management approach by working with and incentivising management to successfully grow the businesses organically and via strategic acquisitions.

We have 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
- Establishing points of presence in Asia
- Introducing “Best of breed” performance tools/processes
- Building a corporate structure to support multiple businesses

The Board have a focus on growing earnings per share and accordingly have set some aggressive internal targets. I remind shareholders that the consistency of earnings continues to be impacted by the timing of larger contracts. I look forward to updating shareholders on the outcome of these targets over the next few years.

Chairman's Address

Techniche Limited and Controlled Entities

Our businesses would not be successful without good people, and I believe that we are fortunate to have some excellent people within our organisation. I would like to thank the Directors, Management and Staff for their continued great work. I believe that shareholders should take comfort knowing that their businesses are in safe and capable hands.

Finally, I would to thank Bob Shaw for his contribution to Techniche. Bob has recently retired from the Board after 8 years of tireless and loyal service to the Company. Bob's drive, enthusiasm and eye for detail were important factors in our success and I wish him well in his retirement. I would also like to welcome Andrew Campbell to the Board as Bob's replacement. The Board went through a structured and disciplined approach in finding Andrew and I am sure that he will be an important contributor in the future.

Karl Jacoby
CHAIRMAN

Directors' Report

Techniche Limited and Controlled Entities

The directors of Techniche Limited submit herewith the annual report of the Group, being Techniche Limited ('the Company') and its controlled entities ('the Group') for the financial year ended 30 June 2014. 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 $2,470,544 [2013: $1,081,185]. The profit after tax and excluding unrealised foreign exchange gains was $1,978,461 [2013: $840,769].

Review of operations

General
The Company is focussed on providing long term growth in earnings per share and dividends to our shareholders.

Earnings per share have grown from 0.48 cents per share at 30 June 2013 to 1.1 cents per share at 30 June 2014. The Board have determined to pay approximately 25% of the annual Net Operating Profits after Tax (NOPAT) as a dividend on an annual basis.

Dividend
During the year (on 28 February 2014) the Company paid a dividend of 0.1 cents per share (totalling $223,593). Further the Company's directors resolved on the 27th August 2014 that the Company pay an unfranked dividend of 0.22 cents per share (totalling $491,904) on the 30th September 2014.

Financial Position
Net assets of the Group have increased by $2,375,402 from $11,346,773 in 2013 to $13,722,175. This increase is primarily explained as follows:

- There was an increase in the value on translation of foreign assets caused by the weakening on the exchange traded value of the Australian dollar during the period of approximately $0.128m.

- Cash and short term deposits amounted to $3,686,307 at year end [2013: $3,669,775] and the working capital ratio (current assets/current liabilities) has decreased marginally from 3.30 in 2013 to 2.27 in 2014. This can be attributed to the acquisition of a 50% share in Statseeker, the payment of a dividend $0.223m and offset by strong cash generation from both the Urgent and ERST businesses.

- During the year the Company acquired a 50% share in the Statseeker business. This consisted of an equity investment of $1.2 million and the provision of subordinated debt funding totalling $1.0 million. Techniche earns interest on the subordinated loan facility and management fees for management services provided. Each of these income streams are retained by Statseeker under the terms of the external debt facility.

- The Group continues to have no interest bearing debt other than the share of debt held by Statseeker which is secured against the assets of Statseeker.

ERST European Retail Systems Technology GmbH (ERST)
This business has now completed its sixth full year as a controlled entity, delivering another solid result since acquired by Techniche. Under the management of Thomas Huben, ERST provides its managed file transfer product and managed services to a range of clients, including BP and EDEKA and handle data communications to and from a large number of fuel stations and bottle recycling depots throughout Europe.

The business generated revenue of $3.62m compared to revenue in 2013 was $3.08m. Net profit after tax amounted to $ 0.917m compared to $ 0.801m in 2013. Increases in both revenue and net profit after tax almost entirely attributed to a weakening of the Australian dollar against the Euro. Carry forward contracted revenue is approximately 86% of forecast revenue for the 2015 year.

This year, ERST are investing some additional resources, as well seeking a "bolt on" acquisition to grow revenues and profit. A number of initiatives remain on place to broaden its customer base and reduce its reliance on a few customers.

Urgent Technology Group
Consisting of 4 entities:
Urgent Technology Ltd;
Urgent Technology USA LLC;
Urgent Technology Australasia Pty Ltd; and
Urgent Technology India Pvt Ltd.

Urgent provide facilities management infrastructure and field service management software for over 30,000 sites worldwide. The business continues to be managed by Grahame Done, Urgent's CEO, and Jesse Klebba, Urgent's US President, and has customers throughout Europe, the USA, Canada, Australia and NZ.

The business generated revenue of A$ 5.26m. The comparative revenue in 2013 was A$ 3.48m. Net profit after tax amounted to A$ 0.725m compared to A$ 27,199 in 2013. Carry forward contracted revenue is approximately 65% of forecast revenue for the 2015 year.

A re-write and update of the eMaintenance application is underway, and the focus remains to grow new business sales through both partnering relationships and Urgent's direct sales team, primarily focussed on the UK & Europe, North America, and Australia.

Statseeker

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, and has customers in UK, Europe, North America, Australia & NZ.

Techniche owns 50% of Statseeker, with the other 50% held by Brisbane based Private Equity firm, NBC Capital Pty Ltd.

Statseeker had a satisfactory 2014 contributing $263,759, through a combination of the share of net profit of joint venture accounted for using the equity method of $113,759, plus management fees of $100,000, and interest payments of $50,000. Revenue was similar to the prior year but short of the target set by management. Carry forward contracted revenue is approximately 57% of forecast revenue for the 2015 year.

The business continues to be managed by Martin Reed and the focus remains to grow new business sales through Statseeker's direct sales team, chartered agents in the North America, and value added resellers.

Future developments, prospects and business strategies

Techniche 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
- Establishing points of presence in Asia
- 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 2014 financial year.

After balance date events

Mr Robert Shaw retired as a director on the 27th August 2014. Mr Andrew Campbell was appointed as a director on the 27th August 2014.

The Company's directors resolved on the 27th August 2014 that the Company pay an unfranked dividend of 0.22 cents per share (totalling $491,904) on the 30th September 2014.

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.

Information on directors

Director	Qualifications and experience	Special responsibilities	Interest in shares and options at 30 June 2014
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.	Karl was appointed Chairman on close of the 2012 AGM.	44,652,378 ordinary shares
ROBERT SHAW	Bob has extensive experience in the Information Technology industry including having previously been Chairman of another technology based listed entity.	Non-executive Director 14 December 2006 – 27th August 2014 Member of Audit Committee Member of Remuneration Committee	5,175,000 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	6,280,000 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 27th August 2014 Member of Audit Committee Member of Remuneration Committee	Nil
JOHN WOLTON	John has in excess of 30 years' experience in the Information Technology industry, together with 15 years' experience in commercial capital raisings.	Resigned 30 July 2013	Not applicable

Meetings of directors

During the financial year, 11 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	12	12	-	-	-	-
RJ Shaw	12	12	1	1	1	1
BR Scott	12	12	1	1	1	1
JDH Wolton	2	2	-	-	-	-

Directorships of other listed companies

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

Company secretary

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

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 $34,756 [2013: $29,160].

Options

At the date of this report, there were no unissued ordinary shares of Techniche Limited under option [2013: 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 2014 has been received and can be found on page 13 of the Annual 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 during the financial year. 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 chairman of directors are 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 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.

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

REMUNERATION REPORT (Audited)

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 profit targets and continued employment with the Company.

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

The satisfaction of the performance conditions are based on a review of the audited financial statements of the 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 tables also illustrate the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

The employment terms and conditions of key management personnel and group executives are formalised in contracts of employment. Terms of employment require the relevant 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.

	Position held as at 30 June 2014 and any changes during the year	Contract details
Group Key Management Personnel		
T Huben	Chief Executive Officer, ERST European Retail Systems Technology GmbH	Permanent employment with annual review of salary and bonus
G Done	Chief Executive Officer, Urgent Technology Limited	Permanent employment with annual review of salary and bonus
J Klebba	President, Urgent Technology USA LLC	Permanent employment with annual review of salary and bonus
C Reid	Group Financial Controller, Techniche Limited – resigned 6 March 2014	-
D Wilson	Group Financial Controller, Techniche Limited – appointed 10 March 2014	Quarterly employment contract

Changes in executives subsequent to year end
No changes occurred.

REMUNERATION REPORT (Audited)

Remuneration details for the year ended 30 June 2014
The following table lists payments and benefits details, in respect to the financial year, the components of remuneration for each member of the key management personnel for the Group and, to the extent different, the five Group executives receiving the highest remuneration

		Short-term employee benefits		Post-employment benefits		Share-based payment		
Name		*Cash salary and fees $*	*Bonus / Incentives $*	*Super-annuation $*	*Termin-ation $*	*Options $*	*Total $*	*Perfor mance Related %*
Board								
K P Jacoby (Executive Chairman)	**2014**	**85,008**	-	**24,996**	-	-	**110,004**	-
	2013	56,583	-	25,000	-	-	81,583	-
J D H Wolton[(i)]	**2014**	**4,217**	-	**2,083**	-	-	**6,300**	-
	2013	54,019	-	25,000	-	-	79,019	-
R J Shaw	**2014**	**40,608**	-	**34,992**	-	-	**75,600**	-
	2013	47,600	-	25,000	-	-	72,600	-
B R Scott[)]	**2014**	**36,000**	-	**3,600**	-	-	**39,600**	-
	2013	9,900	-	-	-	-	9,900	-
Company Secretary								
J A Lemon[(ii)]	**2014**	**6,913**	-	-	-	-	**6,913**	-
	2013	-	-	-	-	-	-	-
K J Sheppard[(iii)]	**2014**	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-
Other key management personnel of controlled entities								
T Huben	**2014**	**181,422**	**63,280**		-	-	**244,702**	**26%**
	2013	151,114	48,411	-	-	-	199,525	24%
G Done	**2014**	**281,873**	**211,931**	**13,535**	-	-	**507,340**	**42%**
	2013	198,534	62,179	14,241	-	-	274,954	23%
J Klebba	**2014**	**168,873**	**33,691**	**9,799**	-	-	**212,363**	**16%**
	2013	149,201	38,156	-	-	-	187,357	20%
C R Boys	**2014**	-	-	-	-	-	-	-
	2013	38,446	-	14,100	12,950	-	65,496	-
C Reid	**2014**	**81,945**	-	**22,211**	**10,417**	-	**114,573**	-
	2013	110,000	-	9,900	-	-	119,900	-
D Wilson	**2014**	**32,001**	-	**7,697**	-	-	**39,698**	-
	2013	-	-	-	-	-	-	-
Total	**2014**	**918,861**	**308,902**	**118,914**	**10,417**	-	**1,357,094**	
	2013	815,397	148,746	113,241	12,950	-	1,090,334	

(i) J D H Wolton ceased to be a director effective from 31 July 2013.
(ii) J A Lemon was appointed as Company Secretary effective 2 April 2014.
(iii) KJ Sheppard was not remunerated as Company Secretary but SH Business Services invoiced the parent entity for company secretarial services. K J Sheppard ceased to be key management person effective from 2 April 2014.

REMUNERATION REPORT (Audited)

Performance income as a proportion of total remuneration

G Done received a larger than budgeted performance bonus based on the significant improvement in the profit of the Urgent Group of Companies. It would not be expected that such a large bonus would be paid in this coming year unless there was a further material improvement in performance. The remuneration committee has set this bonus to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the Company. The remuneration committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

Shareholding of key management personnel at 30 June 2014

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
2014					
Directors					
K P Jacoby	43,792,378	**-**	**-**	**860,000**	**44,652,378**
R J Shaw	5,028,000	**-**	**-**	**147,000**	**5,175,000**
B Scott	-	**-**	**-**	**6,280,000**	**6,280,000**
Other Key Management Personnel					
D J Wilson	**-**	**-**	**-**	**180,000**	**180,000**
	48,820,378	**-**	**-**	**7,467,000**	**56,287,378**
2013					
Directors					
K P Jacoby	41,410,839	-	-	2,381,539	43,792,378
J D H Wolton	4,643,000	-	-	-	4,643,000
R J Shaw	4,700,000	-	-	328,000	5,028,000
K J Sheppard	8,979,760	-	-	700,016	9,679,776
	59,733,599	-	-	3,409,555	63,143,154

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

K P Jacoby
Chairman

Brisbane, 24 September 2014

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 2014, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

PKF HACKETTS

PKF Hacketts Audit

Liam Murphy
Partner

Brisbane, 24 September 2014

PKF Hacketts Audit
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2014

Techniche Limited and Controlled Entities

	Notes	2014 Year ended 30 June 2014	2013 Year ended 30 June 2013
	NOTE	$	$
Revenue from continuing operations			
Provision of IT services		8,876,653	6,560,371
Other Revenue	2	157,421	23,887
		9,034,074	6,584,258
Other income – unrealized foreign exchange gain / (loss)		492,082	240,416
Expenses			
Auditor remuneration	3	(120,688)	(79,757)
Acquisition costs		(78,964)	-
Consulting fees		(138,711)	(174,745)
Infrastructure costs		(357,345)	(281,439)
Depreciation expense		(24,986)	(36,065)
Directors remuneration		(231,504)	(243,100)
Employee benefits expense		(4,644,300)	(3,816,266)
Realised foreign exchange losses		(45,007)	-
Insurance		(62,662)	(69,002)
Motor vehicle and travel expenses		(279,613)	(269,984)
Other expenses		(163,366)	(88,678)
Premises expenses		(386,906)	(351,879)
Share registry and listing fees		(54,038)	(38,333)
Share of net profit of joint venture accounted for using the equity method		113,759	-
Profit before income tax		3,051,825	1,375,426
Income tax expense	6	(581,281)	(422,976)
Profit from continuing operations		2,470,544	952,450
Profit / (loss) from discontinued operations		-	128,735
Profit for the year attributable to the members of the parent entity		2,470,544	1,081,185
Other comprehensive income			
Exchange differences arising on translation of foreign operations		128,450	718,798
Income tax relating to components of other comprehensive income		-	-
Other comprehensive income for the year		128,450	718,798
Total comprehensive income attributable to members of the parent entity		2,598,994	1,799,983
Earnings per share			
Basic earnings (cents per share)	5	1.10 cents	0.48 cents
Diluted earnings (cents per share)	5	1.10 cents	0.48 cents
Earnings from continuing operations – Basic/Diluted (cents per share)	5	1.10 cents	0.43 cents
Earnings from discontinued operations – Basic/Diluted (cents per share)	5	0.00 cents	0.05 cents

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position
as at 30 June 2014
Techniche Limited and Controlled Entities

	Notes	2014 $	2013 $
ASSETS			
Current assets			
Cash and cash equivalents	7	**3,686,307**	3,669,775
Trade and other receivables	8	**1,240,144**	944,624
Other current assets	9	**146,146**	150,794
Total current assets		**5,072,597**	4,765,193
Non-current assets			
Investments in Joint Ventures	13(b)	**1,313,759**	-
Loan to associated entities	13(a)	**1,050,000**	-
Property, plant and equipment	10	**66,328**	52,679
Intangible assets	11	**8,446,727**	7,971,163
Total non-current assets		**10,876,814**	8,023,842
Total assets		**15,949,411**	12,789,035
LIABILITIES			
Current liabilities			
Trade and other payables	14	**613,602**	573,377
Unearned income		**874,077**	497,072
Current tax liabilities	15	**627,963**	219,180
Short term provisions	16	**111,593**	152,632
Total current liabilities		**2,227,235**	1,442,262
Non-current liabilities			
Total non-current liabilities		**-**	-
Total liabilities		**2,227,235**	1,442,262
NET ASSETS		**13,722,175**	11,346,773
Equity			
Issued capital	17	**70,338,778**	70,338,778
Reserves		**(1,266,388)**	(1,394,838)
Accumulated losses		**(55,350,215)**	(57,597,167)
TOTAL EQUITY		**13,722,175**	11,346,773

The accompanying notes form part of these financial statements.

Consolidated Statements of Changes in Equity

for the year ended 30 June 2014

Techniche Limited and Controlled Entities

	Ordinary shares $	Retained earnings $	Option reserve $	FX translation reserve $	Total $
Balance at 30 June 2012	70,338,778	(58,680,880)	2,528	(2,113,636)	9,546,790
Profit attributable to members of the parent entity	-	1,081,185	-	-	1,081,185
Total other comprehensive income	-	-	-	718,798	718,798
Options expired during the period	-	2,528	(2,528)	-	-
Sub total	70,338,778	1,083,713	(2,528)	718,798	1,799,983
Dividends paid or provided for	-	-	-	-	-
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
Options issued during the period	-	-	-	-	-
Sub total	**-**	**2,470,544**	**-**	**128,450**	**2,598,994**
Dividends paid or provided for	-	(223,592)	-	-	(223,592)
Balance at 30 June 2014	**70,338,778**	**(55,350,215)**	**-**	**(1,266,388)**	**13,722,175**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 30 June 2014
Techniche Limited and Controlled Entities

	Note	2014	2013
		$	$
Cash flows from operating activities			
Receipts from customers		**9,053,127**	7,201,801
Payments to suppliers and employees		**(6,576,443)**	(5,732,352)
Interest received		**-**	2,438
Income tax refund / (paid)		**(142,894)**	(332,318)
Net cash provided by (used in) operating activities	20(b)	**2,333,790**	1,139,569
Cash flows from investing activities			
Proceeds from the sale of controlled entity		**-**	128,735
Purchase of plant and equipment		**(38,635)**	(10,722)
Payment for subsidiaries net of cash acquired		**-**	-
Purchase of shares in joint venture		**(1,200,000)**	-
Payment of related party loans		**(1,000,000)**	-
Net cash provided by (used in) investing activities		**(2,238,635)**	118,013
Cash flows from financing activities			
Proceeds from issue of shares		**-**	-
Dividends paid		**(223,592)**	-
Net cash provided by (used in) financing activities		**(223,592)**	-
Net increase (decrease) in cash held		**(128,437)**	1,257,582
Effects of functional currency exchange rate changes		**144,969**	(16,855)
Cash at the beginning of the year		**3,669,775**	2,429,048
Cash at the end of the year	20(a)	**3,686,307**	3,669,775

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2014

Techniche Limited and Controlled Entities

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 24 September 2014 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 (including structured 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.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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.

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.

Note 1. Statement of significant accounting policies (continued)

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
ii. 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.

b. Income Tax

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

Note 1. Statement of significant accounting policies (continued)

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 2014 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.

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

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

Note 1. Statement of significant accounting policies (continued)

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 (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified as 'at fair value through profit or loss in which case the transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement
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 (eg in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.
Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Note 1. Statement of significant accounting policies (continued)

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.

i. Employee Benefits

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

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

Note 1. Statement of significant accounting policies (continued)

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 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 at 30 June 2014.

q. New Accounting Standards, and Accounting Standards for Application in future periods

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2013. The following standards and revisions applicable to the current financial year were the most significant:

AASB 2011-4 "Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements" - This standard removes the individual key management personnel disclosure requirements in AASB 124 "Related Party Disclosures". As a result the Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124. In the current year the individual key management personnel disclosure previously required by AASB 124 is now disclosed in the remuneration report due to an amendment to Corporations Regulations 2001 issued in June 2013.

AASB 10 "Consolidated Financial Statements" and AASB 2011-7 "Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standard" – AASB 10 replaces the parts of AASB 127 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements and Interpretation 112 "Consolidation – Special Purpose Entities". AASB 10 changes the definition of control such that an investor controls an investee when a) it has power over an investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee, and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in AASB 10 to explain when an investor has control over an investee. There was no assessed impact upon implementation of the revised standard.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below which are relevant to the Group, were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 "Financial Instruments", and the relevant amending standards	1 January 2017	30 June 2018
AASB 1031 "Materiality" (2013)	1 January 2014	30 June 2015
AASB 2012-3 "Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities"	1 January 2014	30 June 2015
AASB 2013-3 "Amendments to AASB 135 – Recoverable Amount Disclosures for Non-Financial Assets"	1 January 2014	30 June 2015
AASB 2013-9 "Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments"	1 January 2014	30 June 2015

The potential effect of the revised Standards/Interpretations on the Group's financial statements has not yet been determined.

	2014 $	2013 $

Note 2. Other Revenue

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

	2014 $	2013 $
Other revenue		
- management fee received from associate	**100,000**	-
- interest received from associate	**50,000**	-
- interest received from other persons	**2,344**	2,438
- other revenue	**5,077**	21,449
	157,421	23,887

Note 3. Auditor's remuneration

	2014 $	2013 $
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	**56,895**	47,000
- non audit services	**-**	-
	56,895	47,000
Remuneration of other auditors of subsidiaries for:		
- auditing or reviewing the financial report of subsidiaries	**63,792**	48,277

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

	2014 $	2013 $
Statement of Financial Position		
Current assets	**535,771**	338,334
Total assets	**18,052,992**	15,416,744
Current liabilities	**110,588**	69,647
Total liabilities	**4,050,749**	2,019,369
Issued capital	**70,338,778**	70,338,778
Accumulated losses	**(56,336,535)**	(56,941,403)
Total equity	**14,002,243**	13,397,375
Statement of Comprehensive Income		
Profit/(loss) for the year	**828,460**	273,514
Total comprehensive income for the year	**828,460**	273,514

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

Contingent liabilities
The Parent Entity did not have any contingent liabilities as at 30 June 2014 [2013: nil].

Commitments
At 30 June 2014 the Parent Entity had not entered into any contractual commitments for the acquisition of property plant and equipment [2013: nil]

Note 5. Earnings per share

a.	**Reconciliation of earnings to profit or loss**		
	Earnings used to calculate basic earnings per share	**2,470,544**	1,081,185
	Earnings used to calculate diluted earnings per share	**2,470,544**	1,081,185
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)	**1.10 cents**	0.48 cents
Diluted earnings per share (cents per share)	**1.10 cents**	0.48 cents
Earnings per share from continuing operations – Basic/Diluted	**1.10 cents**	0.43 cents
Earnings per share from discontinued operations – Basic/Diluted	**0.00 cents**	0.05 cents

Note 6. Income tax

a.	**The components of income tax expense comprise:**		
	Current tax	**581,281**	422,976
	Deferred tax	**-**	-
	Under / (over) provided in prior years	**-**	-
		581,281	422,976
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% (2013: 30%)	**915,547**	412,628
	Add/(less) tax effect of:		
	- (Non assessable) income / Non deductible expenses	**(68,642)**	90,552
	Add: tax withheld on income from foreign subsidiaries	**20,066**	-
	Losses for which no deferred tax asset has been recognised	**(285,690)**	(80,204)
	Income tax expense	**581,281**	422,976
	Weighted average effective tax rate	**19.0%**	30.75%

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 a significantly higher proportion of the Group's profit being generated by jurisdictions where carried forward tax losses are available to offset any income tax payable on profits generated in that jurisdiction. Furthermore, the expenditure on eligible research and development relating to the redevelopment of the eMaintenance product within the United Kingdom has reduced the effective tax rate experienced by the Urgent Group.

Note 6. Income tax (continued)

	2014	2013
	$	$
c. Tax losses:		
Unused tax losses for which no deferred tax asset has been recognised	**53,304,963**	53,524,530
Potential tax benefit at 30%	**15,991,489**	16,057,359

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 2014 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

	2014	2013
	$	$
Cash at bank and on hand	**3,686,307**	3,669,775
	3,686,307	3,669,775

The effective interest rate on short-term bank deposits was between 0.0% and 1.0% [2013: between 0.0% and 1.0%].

Note 8. Trade and other receivables

	2014	2013
	$	**$**
Current		
Trade receivables	**1,130,144**	935,573
Provision for impairment	**-**	(4,465)
	1,130,144	931,108
Other receivables	**110,000**	13,516
	1,240,144	944,624

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.

Europe	**218,194**	239,377
United Kingdom	**603,919**	410,094
United States of America	**266,239**	237,803
Australia	**151,792**	57,350
	1,240,144	944,624

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**
	$	**$**	**$**	**$**
2014				
Provision for impairment	**4,465**	**-**	**(4,465)**	**-**
2013				
Provision for impairment	**7,798**	**4,465**	**(7,798)**	**4,465**

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.

			Past due but not impaired (days overdue)				
	Gross	**Past due and impaired**	**< 30 days**	**31 - 60 days**	**61 - 90 days**	**> 90 days**	**Within trade terms**
	$	**$**	**$**	**$**	**$**	**$**	**$**
2014							
Trade receivables	**1,130,144**	**-**	**144,796**	**126,072**	**19,532**	**87,808**	**751,936**
Other receivables	**110,000**	**-**	**-**	**-**	**-**	**-**	**110,000**
	1,240,144		**144,796**	**126,072**	**19,532**	**87,808**	**861,936**
2013							
Trade receivables	935,573	-	424,824	36,180	-	24,515	450,054
Other receivables	13,516	-	-	-	-	-	13,516
	949,089	-	424,824	36,180	-	24,515	463,570

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 assets

	2014 $	2013 $
Current		
Current tax assets	**1,565**	22,061
Prepayments	**119,518**	103,439
Security deposits	**25,062**	25,294
	146,145	150,794

Note 10. Property, plant and equipment

	2014 $	2013 $
Plant and equipment at cost	**428,291**	300,778
Accumulated depreciation	**(361,963)**	(248,099)
	66,328	52,679

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

	2014 $	2013 $
Plant and equipment		
Balance at 1 July 2013	**52,679**	78,023
Additions	**38,635**	10,721
Depreciation expense	**(24,986)**	(36,065)
Balance at 30 June 2014	**66,328**	52,679

Note 11. Intangible assets

	2014 $	2013 $
Goodwill		
Carrying value	3,022,752	3,030,452
	3,022,752	3,030,452
Intellectual property rights		
Carrying value	5,423,975	4,940,711
	5,423,975	4,940,711
Total Intangible assets	8,446,727	7,971,163

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

	2014 $	2013 $
Goodwill		
Opening Balance	3,030,452	2,640,626
Foreign currency revaluation	(7,700)	389,826
Closing balance	3,022,752	3,030,452
Intellectual property rights		
Opening Balance	4,940,711	4,594,885
Foreign currency revaluation	483,264	345,826
Closing balance	5,423,975	4,940,711

Intangible assets, other than goodwill, have indefinite useful lives. Goodwill has an infinite life.

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

	2014 $	2013 $
ERST European Retail Systems Technology GmbH	**3,022,752**	3,030,452
Other	**-**	-
Total	**3,022,752**	3,030,452

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 a discount rate of 5.75%. 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.

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.

	Country of incorporation	Percentage owned *	
		2014	2013
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

On 29 July 2013, the Company entered into a joint arrangement agreement with NBC Capital Pty Ltd ('NBC') whereby they have incorporated a new entity named Network Monitoring Holdings Pty Ltd (NMH) at the same date. The nature of the joint arrangement was classified as joint venture under the AASB 11 'Joint Arrangements'. The purpose of the incorporation of NMH was to acquire Statseeker Holdings Pty Ltd and controlled entities. On 2 September 2013, NMH acquired 100% of interest in the Statseeker Holdings Pty Ltd and controlled entities ('Statseeker') with a consideration of $6.75 million which were funded by a debt facility of $2.5 million from Bankwest, $1.2 million of contributed equity by each venturer and $1 million of subordinated debt by each venturer. Statseeker designs, develops, markets, distributes and supports a network infrastructure monitoring software tool to blue chip enterprises around the world.

Set out below is the joint arrangement of the Company as at 30 June 2014, 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 2014	As at 30 June 2013	
Network Monitoring Holdings Pty Ltd	Joint Venture	Australia	50%	Nil	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 which represents 50% interest in Network Monitoring Holdings Pty Ltd and its Controlled Entities that is material to the Group:

	30 June 2014	30 June 2013
Ownership Interest %	50%	Nil
Revenue	2,268,428	Nil
Profit	113,759	Nil
Total assets	4,950,241	Nil
Total liabilities	3,636,481	Nil

	30 June 2014 $	30 June 2013 $
Carrying amount of investment in Joint Venture		
The following is a reconciliation of the above summarised financial information to the carrying amounts of the Company's interests in investments accounted for using the equity method:		
Investment in Joint Venture - at the beginning of the financial period	-	-
Initial contribution to the Joint Venture at 29 July 2013	2	-
Additional contribution to the Joint Venture at 2 September 2013	1,199,998	-
Share of Joint Venture net profit after income tax	113,759	-
Investment in Joint Venture - at the end of the financial period	1,313,759	-

	2014 $	2013 $

Note 14. Trade and other payables

	2014 $	2013 $
Current liabilities		
Trade payables	**79,067**	152,242
Sundry payables and accrued expenses	**534,535**	421,135
	613,602	573,377

Note 15. Current tax liabilities

	2014 $	2013 $
Current liabilities		
German income tax payable	**391,858**	197,892
United Kingdom income tax payable	**230,544**	21,288
Other taxes payable	**5,561**	
	627,963	219,180

Note 16. Provisions

	2014 $	2013 $
Short term employee entitlements		
Balance at 1 July	**66,270**	85,028
Additional provisions	**207,874**	31,598
Discontinued operations	**-**	(23,383)
Amounts used	**(214,286)**	(26,973)
Balance at 30 June	**59,858**	66,270
Other provisions	**51,735**	86,362
Balance at 30 June	**111,593**	152,632
Long term employee benefits		
Balance at 1 July	**-**	52,208
Additional provisions	**-**	-
Unused amounts reversed	**-**	(52,208)
Balance at 30 June	**-**	-
Analysis of total employee provisions		
Current	**59,858**	66,270
Non-current	**-**	-
	59,858	66,270

Note 17. Issued capital

	2014 Number	2013 Number	2014 $	2013 $
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's exposure to borrowings as at 30 June 2014 is limited to the equity based accounted share of debt within the Company's investment in Statseeker as described in note 13. [2013: Nil].

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

Note 18. Capital and leasing commitments

	2014 $	2013 $
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	**195,732**	239,150
- Later than one year but not later than five years	**114,071**	245,527
	309,803	484,677

Note 19. 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 and product support and development worldwide provided through Urgent Technology Pvt Ltd in India under the direction and control of the UK operation.
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 2014 financial year the business operations in the USA of the Urgent group of companies continued to expand as the US subsidiary consolidated its position as a self sustaining operation while at the same time relying on the infrastructure of Urgent Technology Ltd and sub-contracting support services from that company. 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. Day to day management and control of all the geographic segments is under the control of the Urgent CEO who is employed by Urgent Technology Limited. Additionally, the UK business unit is managing the redevelopment 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 2014 and 30 June 2013, 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.

Note 19. Operating segments (continued)

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.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2014

Techniche Limited and Controlled Entities

Note 19: Operating segments (continued)

	TCN Corporate		Urgent Group		ERST		Discontinued operations		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$	$	$	$
Provision of IT services	-	-	5,260,839	3,481,039	3,615,814	3,079,332	-	250,270	8,876,653	6,810,641
Intra-segment sales	-	-	611,267	606,722	-	-	-	-	611,267	606,722
Inter-segment sales	1,039,403	856,167	-	21,664	-	-	-	-	1,039,403	877,831
Segment sales revenue	1,039,403	856,167	5,872,106	4,109,425	3,615,814	3,079,332	-	250,270	10,527,323	8,295,194
Other revenue	154,968	14,272	575	544	131,809	66,524	-	-	287,352	81,340
Total segment revenue before elimination	1,194,371	870,439	5,872,681	4,109,969	3,747,623	3,145,856	-	250,270	10,814,675	8,376,534
Reconciliation of segment revenue to group revenue:										
Elimination entries for revenue on consolidation									(1,780,601)	(1,542,006)
Revenue from discontinued operations									-	(250,270)
Total revenue									9,034,074	6,584,258
Profit/(loss) with inter-segment charges	729,160	68,187	848,676	48,424	1,354,585	1,203,156	-	128,735	2,932,421	1,448,502
Equity accounted profits of joint ventures	113,759	-	-	-	-	-	-	-	113,759	-
Income tax expense	(20,066)	-	(123,757)	(21,225)	(437,457)	(401,750)	-	-	(581,280)	(422,975)
Segment result after tax	822,853	68,187	724,919	27,199	917,128	801,406	-	128,735	2,464,900	1,025,527
Intra-group charges									5,644	55,658
Total contribution after tax									2,470,544	1,081,185
Segment assets	18,431,526	15,850,346	8,533,359	7,411,451	6,127,593	4,238,609			33,092,478	27,500,406
Inter-segment elimination	(7,073,835)	(7,604,935)	(5,870,461)	(5,737,760)	(4,198,771)	(1,368,675)			(17,143,067)	(14,711,370)
Total consolidated assets	11,357,691	8,245,411	2,662,898	1,673,691	1,928,822	2,869,934			15,949,411	12,789,036
Segment liabilities	12,370,007	3,017,226	1,655,201	7,198,487	641,243	1,148,026			14,666,451	11,363,739
Inter-segment elimination	(10,402,963)	(2,947,349)	(1,547,126)	(6,233,982)	(489,126)	(740,145)			(12,439,215)	(9,921,476)
Total consolidated liabilities	1,967,044	69,877	108,075	964,505	152,117	407,881			2,227,236	1,442,263
Depreciation and amortisation expense	1,169	2,063	13,668	20,917	10,149	13,085			24,986	36,065
Acquisition of property, plant and equipment	-	1,722	28,932	9,000	14,926	-			43,858	10,722

	2014 $	2013 $

Note 20. Cash flow information

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:

	2014 $	2013 $
Cash at bank and on hand	**3,686,307**	3,669,775
	3,686,307	3,669,775

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

	2014 $	2013 $
Profit after income tax	**2,470,544**	1,081,185
Non cash flows in profit/(loss):		
Depreciation	**24,986**	36,065
Realised (gain) on deconsolidation of subsidiary	**-**	(128,735)
Share of (profit)/loss of from joint venture	**(113,760)**	-
Unrealised foreign exchange (gains) / losses	**(492,082)**	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(345,520)**	81,404
(Increase)/decrease in inventories	**-**	6,921
(Increase)/decrease in other current assets	**(17,413)**	34,317
(Increase)/decrease in current tax assets	**22,061**	(22,061)
Decrease/(increase) in payables	**(117,305)**	(74,678)
Decrease/(increase) in provisions	**493,495**	12,432
Decrease/(increase) in current tax liabilities	**408,783**	112,719
Cash flows from operations	**2,333,790**	1,139,569

Note 21. Contingent liabilities

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

Note 22. 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 new related party transactions:

- As disclosed in note 7a, the Company together with NBC Capital have incorporated a new joint venture entity named Network Monitoring Holdings Pty Ltd (NMH) to acquire 100% interest in Statseeker. On 2 September 2013, the Company has provided a subordinated loan of $1 million to NMH to fund the acquisition of 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 after the Bankwest loan has been fully repaid by NMH but no later than 2 September 2018. At 30 June 2014, the loan balance including the interest portion totalling to $1,050,000 was recorded as part of the 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 entered into a management fees agreement with NMH at a rate of 10% per year from the contributed investment in the company. As at 30 June 2014, accrued management fees were $100,000.

- 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 2014 was $6,000 [2013: $500].

Note 23. 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.

	2014 $	2013 $
Financial assets		
Cash and cash equivalents	**3,686,307**	3,669,775
Trade and other receivables	**1,240,144**	944,623
Loan to associated entities	**1,050,000**	-
	5,976,451	4,614,398
Financial liabilities		
Trade and other payables	**613,602**	573,378

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	
	2014 %	2013 %	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Financial Assets								
Cash and cash equivalents	**0.1**	0.1	**3,686,307**	3,669,775	**-**	-	**3,686,307**	3,669,775
Trade and other receivables	**-**	-	**1,240,144**	944,623	**-**	-	**1,240,144**	944,623
Loan to associated entities	**6.0**	-	**-**	944,623	**1,050,000**	-	**1,050,000**	944,623
			4,926,451	4,614,398	**1,050,000**	-	**5,976,451**	4,614,398
Financial Liabilities								
Trade and other payables	**-**	-	**613,602**	573,378	**-**	-	**613,602**	573,378
Net financial assets / (liabilities)			**4,312,849**	4,041,020	**1,050,000**	-	**5,362,849**	4,041,020

Note 23. Financial risk management (continued)

Net financial assets/(liabilities) in AUD

	AUD	EURO	GBP	USD	Indian Rupee	Total AUD
2014						
Functional currency of Group						
Australian Dollars	**2,624,161**	**-**	**-**	**-**	**-**	**2,624,161**
Euro Dollars	**-**	**1,552,084**	**-**	**-**	**-**	**1,552,084**
Great British Pounds	**-**	**-**	**967,906**	**-**	**-**	**967,906**
United States Dollars				**209,621**	**-**	**209,621**
Indian Rupees	**-**	**-**	**-**	**-**	**9,077**	**9,077**
Balance sheet exposure	**2,624,161**	**1,552,084**	**967,906**	**209,621**	**9,077**	**5,362,849**
Year end exchange rate		0.7405	0.6667	0.6667	0.6667	
2013						
Functional currency of Group						
Australian Dollars	183,960	-	-	-	-	183,960
Euro Dollars	-	2,654,876	-	-	-	2,654,876
Great British Pounds	-	-	743,232	-	-	743,232
United States Dollars				453,617		453,617
Indian Rupees	-	-	-	-	5,335	5,335
Balance sheet exposure	183,960	2,654,876	743,232	453,617	5,335	4,041,020
Year end exchange rate		0.6906	0.5531	0.9420	56.59	

c. Credit risk

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

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

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

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

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

	2014	2013
	$	$
Cash and cash equivalents		
- AA Rated	**2,066,023**	1,252,686
- A Rated	**1,620,284**	2,427,089
	3,686,307	3,669,775

Note 23. 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		
2014	**33,324**	**33,324**
2013	23,381	23,381
Strengthening of AUD against other currencies by 10%		
2014	**(428,409)**	**(475,101)**
2013	(472,392)	(302,768)

Note 24. After balance date events

Mr Robert Shaw retired as a director on 27th August 2014. Mr Andrew Campbell was appointed as a director on 27th August 2014.

The Company's directors resolved on the 27th August 2014 that the Company pay an unfranked dividend of 0.22 cents per share (totalling $491,904) on the 30th September 2014.

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 25. 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:

Techniche Holdings USA Inc
1051 E Main Street, Suite 214
East Dundee, IL 60118 USA

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

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

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

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

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

Directors' Declaration

Techniche Limited and Controlled Entities

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 14 to 43 are in accordance with the *Corporations Act 2001* and:

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

    b. give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company and consolidated group;

2. the Chief Executive Officer and Chief Finance Officer have each declared that:

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

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

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

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Karl P Jacoby	Bruce Scott
Chairman	Director

Brisbane, 24 September 2014

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 2014, 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Opinion

In our opinion:

a) the financial report of Techniche Limited 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 2014 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.

PKF Hacketts Audit
ABN 33 873 151 348

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 12 of the Directors' Report for the year ended 30 June 2014. 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 and its Controlled Entities for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

PKF HACKETTS

PKF Hacketts Audit
Brisbane, 24 September 2014

Liam Murphy
Partner

Shareholder Information

Techniche Limited and Controlled Entities

The shareholder information set out below was applicable as at 29 August 2014.

a. Distribution of equity securities

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

Number of equity securities held	Number of Investors	Number of Shares	% of Issued Capital
1 – 1,000	58	15,208	0.01
1,001 – 5,000	130	325,462	0.15
5,001 – 10,000	54	457,540	0.20
10,001 – 100,000	280	11,181,417	5.00
100,001 and over	153	211,613,029	94.64
Total	675	223,592,656	100.00

The number of holder accounts holding a balance less than a marketable parcel was 189 based on a closing price of $0.087 on 29 August 2014. The total number of shares registered to such holder accounts was 364,170. 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 29 August 2014 was $0.087 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 5,747 shares based on this price.

b. Equity security holders

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

Name		Ordinary shares Current Balance	% Issued Capital
1	Hooks Enterprises Pty Ltd (Hoeksema Superfund A/C)	30,600,000	13.69
2	Jacoby Management Services Ptyltd (Super Fund Account)	24,141,541	10.80
3	Jacoby Management Services Pty Ltd (Karl Jacoby Family A/C)	20,510,837	9.17
4	Citicorp Nominees Pty Limited	11,818,490	5.29
5	Durbin Superannuation Pty Ltd (Durbin Family S Fund A/C)	9,220,000	4.12
6	Tappak Nominees Pty Ltd (Sheppard Group Superfund A/C)	5,938,480	2.66
7	Mr Robert John Shaw + Mrs Maria Shaw (Shaw Group Super Fund A/C)	5,175,000	2.31
8	George Edward Chapman	5,000,000	2.24
9	Ubs Wealth Management Australia Nominees Pty Ltd	4,000,000	1.79
10	Mr Peter Raymond Burnitt (Burnitt Family S/F A/C)	3,661,920	1.64
11	Cff Pty Ltd (Crommelin Family Found A/C)	3,653,003	1.63
12	Mousquet Pty Ltd (The Mousquet Super Fund A/C)	3,500,000	1.57
13	Mr Ian Harvey Carey	3,399,654	1.52
14	Geomar Superannuation Pty Ltd (Chapman Super Fund A/C)	3,186,094	1.42
15	Mr Kevin Joseph Sheppard (Sheppard & Wells Super A/C)	3,041,280	1.36
16	Tara Group Pty Ltd (Blue Moon Super Fund A/C)	3,000,000	1.34
17	Zoom Zoom Pty Limited	2,918,783	1.31
18	Mr Roy Brammall + Mrs Mona Brammall (Renglade P/L Staff S/F A/C)	2,441,280	1.09
19	Banjo Superannuation Fund Pty Ltd (P D Evans Psf A/C)	2,000,000	0.89
20	Brian Flynn No 1 Pty Ltd (Df&Cm Flynn Family A/C)	2,000,000	0.89
Total		**149,206,362**	**66.73**

	Investors	Current Balance	% Issued Capital
Total of Top 20 Holders	20	149,206,362	6.73
Total Other Investors	655	74,386,294	33.27
Total Shares on Issue	675	223,592,656	100.00

c. Substantial holders

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
- Pie Funds Management Limited	11,684,940	5.23

d. 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.

e. Stock Exchange Listing

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

f. Unquoted Securities

There are no unquoted securities on issue at 30 June 2014.

Corporate Governance Statement

Techniche Limited and Controlled Entities

Introduction

The Board of Directors is responsible for the corporate governance of Techniche Limited (Techniche/the Company) and its controlled entities and is committed to maintaining high standards of corporate governance appropriate to its size and operations to effectively manage risk, improve performance and enhance corporate responsibility.

The Board carries out its responsibilities within a framework of corporate governance structures to create value, through encouraging entrepreneurialism, innovation and development, and provides a system of accountability and control commensurate with the risks involved in the IT business units.

The Company recognises and follows the "if not why not" disclosure based approach to governance adopted by the Second Edition of the ASX Corporate Governance Council's Principles and Recommendations as amended in June 2010 (ASX Principles) and the recognition therein that there is no single model of corporate governance and that good corporate governance practice is not restricted to adopting the recommendations contained in the ASX Principles.

The Company falls into the category of what is commonly referred to as "micro cap" and as such must carefully monitor and control the allocation of scarce resources to maximise shareholder value. Having regard to this primary goal, the Board takes into account in its decision making processes all the ASX Principles, and consciously recognises limitations placed on full implementation of formal structures by the size of the Company and size and diversity of its Board.

The reference documents (unless otherwise indicated) are available for public inspection on the Company's website: www.tcnglobal.net under the Governance drop down menu on the home page.

Principle 1

Lay solid foundations for management and oversight

Compliance with this Principle requires the Company to establish and disclose the respective roles and responsibilities of both the Board and Management.

The Board has adopted a Board Charter which outlines the responsibilities and duties of the Board, as well as separate role statements for the Chairman and the person undertaking the Chief Executive function (if a member of the Board). The Board has delegated certain functions to senior executives but remains ultimately responsible for:

- Nomination and appointment of directors, membership and role of board committees, assessment of board performance and director remuneration;
- Appointment, remuneration and assessment of performance of all senior executives and retains the power to determine the employment of Key Management Personnel, other than members of the Board;
- Corporate Governance matters, including frequency and agendas of Board and Committee meetings, and the appointment of the Company Secretary;
- Matters pertaining to shareholders including meeting, communications and relations;
- Monitoring of Company performance by approval of corporate strategy and performance objectives;
- Adherence to and compliance with continuous disclosure policy, code of conduct, risk management and internal control, including approval of annual reports and accounts;
- Capital management, including issues, calls on, forfeiture of shares, declaration of dividends and share buy-backs;
- Director's interests, conflicts of same and related-party transactions;
- Delegation of powers and authorities including setting levels of authority;
- Mergers, acquisitions, restructures and divestments; and
- Approval of Company policies.

The Board Charter is reviewed and amended from time to time as appropriate.

Board members are committed to spending sufficient time to enable them to carry out their duties as Directors of the Company. Candidates for Director must confirm that they have the necessary time to devote to their Board position prior to appointment.

Senior executives are provided with executive services contracts, which include expectations of their role, term of appointment, termination entitlements and rights and responsibilities.

Principle 1 (continued)

Lay solid foundations for management and oversight

Techniche has a performance evaluation process which establishes objectives, key result areas and qualitative and quantitative key performance indicators for all senior executives. Underpinning this approach is the belief that performance planning and regular performance reviews constitute sound business practice. Formal performance evaluations have been undertaken for senior executives during the current financial year in accordance with Company policy.

Induction programs are undertaken for all new senior executive appointments, so as to enable them to gain an understanding of the Company's financial position, its strategies, operations, risk management framework.

Principle 2

Structure the board to add value

Compliance with this Principle requires the Company to have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties

The size and composition of the Board are determined in accordance with the Constitution of the Company. In addition, in accordance with the Board Charter, the Board will comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds.

During the period under review, the members of the Board were:

Mr Karl Jacoby (Executive director and Chairman);
Mr Bruce Scott (Independent Non-executive director);
Mr Robert Shaw (Independent Non-executive director); and
Mr John Wolton (Independent Non-executive director) (up to 30 July 2013)

Of the three directors on the Board during the period under review, Messrs Robert Shaw and Bruce Scott were independent within the meaning of the ASX Principles. The Chairman, Mr Karl Jacoby was not independent by reason of the fact that his associates hold a substantial interest in the Company's issued capital and that until 11 July 2011 he was Managing Director of the Company.

The Board is accordingly comprised of a majority of independent directors.

Details of each Director's skills, experience and expertise relevant to their position and their term in office and details of their attendance at Board and Committee meetings are set out in the Directors' Report included in the 2014 Annual Report.

Each Director has entered into an agreement with the Company covering the terms of their appointment, access to documents, Director's Indemnity against liability, and Director's and Officer's insurance. Each Director is encouraged to have a financial interest in the Company.

To assist Directors to fully meet their obligations to bring an independent view to matters coming before them, the Board has agreed upon a procedure in appropriate situations for Directors to take independent professional advice, at the expense of the Company, after advising the Chairman of their intention to so do. A copy of this advice is to be made available to the Board.

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's functioning. The Chairman facilitates the effective contribution of all directors and promotes constructive and respectful relations between the Board and senior executives.

While the current Chairman, Mr Karl Jacoby, may not be independent within the meaning of the ASX Principles, given the small size of the Company and his experience as an investor, with a personal stake in building shareholder value, the Chairman devotes substantial time to the day to day affairs of the businesses, and plays a mentoring role in relation to discharge of management functions by Senior Executives of business units. This role is critical to the ongoing implementation of the Company's growth strategy and in due course the Chairman intends to stand aside after the Company has developed to a point where the cost of employing a full time Chief Executive Officer can be justified.

Principle 2 (continued)

Structure the board to add value

Considering the stage of development of the Company and the scale of its operations, the Board has formed the view that the optimum size of the Board at this time is three members. This is the minimum number under the Company's constitution. As such, the Board has not established a Nomination Committee. The Board carries out the functions of a Nomination Committee (such as assessing desired mix of competencies, skills and diversity for the Board, review of board succession plans and performance evaluation of the board and committees) following recommendations from the Chairman.

Performance evaluations have been satisfactorily undertaken for the Board, the Audit Committee and the Remuneration Committee during the current financial year in accordance with Company policy.

The Company Constitution states that at each Annual General Meeting (AGM) one-third of the Directors (excluding the Managing Director) and any Director who has held office for three or more years since their last election are required to retire from office. Any Director appointed by the Board since the previous AGM must stand for election at the next AGM. Retiring Directors are eligible for re-election.

New Directors undergo an induction process in which they are given a full briefing on the Company. Where possible, this includes meetings with key executives, tours of the operating sites (if practicable), provision of an induction package containing key corporate information and presentations. Each Director also has access to the Company Secretary.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. This includes education concerning key developments in the Company and in the industry and environment in which the Company operates.

Principle 3

Promote ethical and responsible decision-making

Compliance with this Principle requires that the Company should actively promote ethical and responsible decision-making

The Board acknowledges and emphasises the importance of all Directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A Code of Conduct has been established requiring the Directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflicts of interest;
- encourage the reporting and investigating of unlawful and unethical behaviour;
- comply with the law; and
- comply with the Securities trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Employees are encouraged to report any potential breaches of the Code and the Company ensures employees are not disadvantaged for any reports made in good faith. The Company will deal with any reports promptly and fairly. Any breach of applicable laws, accepted ethical commercial practices or other aspects of the Code of Conduct and Ethics will result in disciplinary action.

The Board has a Securities Trading Policy which regulates dealings in Techniche securities and securities of any other entity that may be affected by insider information.

Principle 3 (continued)
Promote ethical and responsible decision-making

Directors and senior executives (including in certain circumstances associates of Directors and senior executives) may trade in Techniche securities:

> comply with the Securities trading policy outlined in the Code of Conduct.
>
> At any other time with the prior unanimous approval of the Board. Approval will not be given when Directors have access to potentially price sensitive information not yet disclosed to the market.

Techniche's Code of Conduct and Securities Trading Policy are available on the Corporate Governance section of the Company's website. Employees, Directors, contractors, consultants and advisors are directed to refer to the Code of Conduct and Securities Trading Policy prior to commencing employment/engagement with the Company. The Securities Trading Policy has been lodged with the ASX on 4 January 2011.

The Board recognises that diversity in recruitment provides the potential for economic benefits. Given the size and scale of operations of the Company, the Board has decided not to adopt a Diversity Policy or a group wide HR policy enforcing diversity at this stage. Accordingly, the Board has not yet set any measurable objectives for achieving gender diversity.

It is noted that the Urgent group of companies operate in various geographic regions which creates a degree of diversity as a natural consequence of interaction of different cultures.

The percentage of women employees in the whole organisation, senior management and the Board are as follows:

> Whole organisation: 7%
> Senior Management: NIL
> Techniche Board: NIL

Principle 4
Safeguarding integrity in financial reporting

Compliance with this Principle requires that the Company have a structure to independently verify and safeguard the integrity of their financial reporting

The Board has established an Audit Committee with Mr Robert Shaw as the Chairman of the Committee during the period under review. Currently, the Committee comprises of Mr Bruce Scott (Chairman) and Mr Andrew Campbell, who are both independent non-executive directors and is chaired by an independent director, The Committee does not comply with Recommendation 4.2 to the extent that it does not comprise of at least three members. However, the Board considers that given the size of the Company it is appropriate to have an Audit Committee consisting of two directors.

Details of Committee members' qualifications and attendance at committee meetings is provided in the Directors' Report included in the 2014 Annual Report.

The Audit Committee has a formal charter which sets out its roles, responsibilities, membership, meeting process and performance evaluation requirements. The charter incorporates policies and procedures to ensure the truthful and factual presentation of the Company's financial position.

The Audit Committee reviews and recommends the approval of the Company's half year and full year financial statements. It also reviews the effectiveness of administrative, operating and accounting controls.

The Audit Committee is responsible for recommending the appointment and dismissal of external auditors. The procedures for the appointment of an external auditor are outlined in the Audit Committee Charter. Candidates for the position of external auditor must be able to demonstrate complete independence from the Company and have an ability to maintain independence throughout the engagement period. Further, the successful candidate must have arrangements in place for the rotation of the audit engagement partner on a regular basis. Other than this mandatory criteria, the Board may select an external auditor based on criteria relevant to the business of the Company such as experience in the industry in which the Company operates, references, cost and any other matters deemed relevant by the Board.

The Board reviews the performance and independence of the external auditor on an annual basis. At the time of the half-year review and full-year audit of the financial statements, the external auditor formally presents to the Audit Committee a certificate confirming their independence.

No Director has any association, past or present, with Techniche's external auditor.

Principle 5
Make timely and balanced disclosure

Compliance with this Principle requires that the Company Promote timely and balanced disclosure of all material matters concerning the company

The Board has adopted a Continuous Disclosure Policy to ensure Techniche complies with its disclosure obligations under ASX Listing Rules and the Corporations Act.

Techniche's Continuous Disclosure Policy is designed to meet market best practice, ensuring that company announcements are:

- made in a timely manner;
- factual;
- do not omit material information;
- are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investor decisions.

To enhance clarity and balance in reporting, and to enable investors to make an informed assessment of the Company's performance, financial results are accompanied by a brief commentary.

In accordance with the ASX Listing Rules, the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's shares; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose the Company's shares.

Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on its website in an area accessible by the public.

The Company Secretary is responsible for monitoring information which could be price sensitive and is authorised to lodge such information with the Australian Securities Exchange.

Principle 6
Respect the rights of shareholders

Compliance with this Principle requires that the Company respects the rights of shareholders and facilitates the effective exercise of those rights.

The Board has adopted a Communications Policy which requires communication with shareholders in an open, regular and timely manner so that the market has sufficient information to make informed investment decisions on the operations and results of the Company.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and understanding of the Company's strategy and goals.

The external auditor attends the Annual General Meeting and is available to answer shareholder questions about:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Principle 6 (continued)
Respect the rights of shareholders

The Communications Policy sets out principles that the Company will apply in relation to the disclosure of material information, including that the Company:

will not give analysts or other select groups of market participants any material price sensitive non-public information at any time;

will not generally respond to market rumours and speculation except where:

the speculation or rumours indicate that the subject matter is no longer confidential and therefore the exception to disclosure set out in the Listing Rules no longer applies;

the ASX formally requests disclosure by the Company on the matter; or

the Board considers that it is appropriate to make a disclosure in the circumstances; and

will only allow authorised company spokespersons to make any public statement on behalf of the Company.

Where possible, the Company will arrange for advance notification to shareholders of significant group briefings. Presentations to be made at such briefings, which contain information not previously released to shareholders, will be released via the ASX and published on the Company's website. The Company will also keep a summary record (for internal use) of the issues discussed at briefings with investors and analysts.

Principle 7
Recognise and manage risk

Compliance with this Principle requires that the Company establish a sound system of risk oversight and management and internal control.

The Board considers identification and management of key risks associated with the business as being vital to maximise shareholder wealth.

The Board has delegated the control of risk management to the Audit Committee in accordance with its Charter and has in place a Risk Management Framework to assist the Audit Committee with this function.

To support operational effectiveness and to apply a risk rating system so that resources can be appropriately allocated, the following risk management process has been adopted:

Step 1: Assessment - Integrated and consistent evaluation of risk

Step 2: Mitigation - Cost effective risk management initiatives

Step 3: Assurance - Assurance aligned to the highest risks

Step 4: Monitoring and Reporting - Escalation of major risks and consistent risk reporting

A risk rating system which provides parameters for the estimation of the consequences and likelihood of risks is maintained to support the risk assessment process and enable the consistent application of Risk Management Framework across the Group. Decisions as to the acceptance, avoidance and treatment of risk are driven by the ranking of risks under this system.

The Board regularly reviews risks relating to individual sales programs, ongoing implementation projects and software development programs.

Due to the size and scale of operations of the Company, there is no separate internal audit function. The Chairman has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of the Company managing and reassessing its key business risks.

The Board receives regular reports regarding risk management from senior executives when holding monthly meetings with those executives via telephone conferences. Management have confirmed to the Board that the Company effectively manages its material business risks,

Principle 7 (continued)
Recognise and manage risk

This internal audit is independent of the external auditor. The risk management and internal control system are reviewed by the Board regularly.

The Chairman who is responsible for the Chief Executive function and the Group Financial Controller who undertakes the Chief Financial Officer function have provided a confirmed to the Board that the declaration provided in accordance with section 295A of the Corporations Act is founded upon a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks.

Principle 8
Remunerate fairly and responsibly

Compliance with this Principle requires that the Company ensures that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear

The Board has established a Remuneration Committee which is responsible to the Board for the establishment of the remuneration framework for Directors and senior executives. Up to 30 July 2013, the Committee comprised of Mr John Wolton and Mr Robert Shaw. During the period under review the members of the Remuneration Committee were Mr Robert Shaw (Chairman) and Mr Bruce Scott, both independent non-executive Directors. Currently, the members of the Committee are Mr Andrew Campbell (Chairman) and Mr Bruce Scott, both independent non-executive Directors. The Committee does not comply with Recommendation 8.2 to the extent that it does not comprise of at least three members. However, the Board considers that given the size of the Company it is appropriate to have a Remuneration Committee consisting of two directors.

Details of committee members' qualifications and attendance at committee meetings is provided in the Directors' Report included in the 2014 Annual Report.

The Remuneration Committee has a formal charter which sets out its roles, responsibilities, membership, meeting process and performance evaluation requirements.

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

The remuneration packages of senior executives may include a short-term incentive component that is linked to the achievement of specific Company and individual goals.

The Company does not have schemes for retirement benefits, other than superannuation, for non-executive directors.

The Remuneration Report for the 2014 year and further details about the Remuneration Policy of the Company are set out in the 2014 Directors' Report contained in the Annual Report.

Executives are not permitted to enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

This Corporate Governance Statement is current as at the date of this Annual Report.