

20 February 2017

ASX Market Announcement Officer  
ASX Limited  
Level 4, Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

Dear Sir or Madam

**Decimal Software Limited – Appendix 4D and Half-Year Report**

Please find enclosed the following Decimal Software Limited half year reports for the 6 months ended 31 December 2016.

1. Appendix 4D; and
2. Half-Year Report

Yours sincerely



David Gardner  
Head of Finance and Company Secretary  
Decimal Software Limited

## Appendix 4D

### DECIMAL SOFTWARE LIMITED

ABN: 31 009 235 956

#### 1. Reporting Period

Reporting period:	Previous corresponding period:
1 July 2016 to 31 December 2016	1 July 2015 to 31 December 2015

#### 2. Results for announcement to the market

Description	31 December 16 (A\$)	31 December 15 (A\$)	% change
Revenue from ordinary activities	462,345	357,938	29%
Loss from ordinary activities	(2,397,406)	(4,145,992)	42%
Loss for the period attributable to members	(2,397,406)	(4,145,992)	42%

#### Abbreviated explanation of results

The Group experienced an increase of 29% in sales revenue during the half-year ended 31 December 2016, while expenditure decreased by 43% and the cash position remained robust at A\$1.67 million.

Total sales revenue was \$462,345 (2015: \$357,938), while the consolidated net loss after income tax was \$2,397,406 (2015: \$4,145,992).

#### 3. Dividends or dividend distribution plan

Decimal Software Limited Group did not declare a dividend during the reporting or previous corresponding period. There was no distribution reinvestment plan in operation during the periods ended 31 December 2016 and 31 December 2015.

#### 4. Net Tangible Asset per Share

	2016 Number	2015 Number
Net tangible asset per share (cents per share)	0.38	0.74

#### DECIMAL SOFTWARE LTD

Level 12, 680 George Street, Sydney, NSW 2000  
 Phone: 1300 220 799 Fax: +61 8 6389 1977  
 ACN: 009 235 956

## 5. Parent Entity and Subsidiaries

### (a) *Ultimate Parent*

The ultimate Australian parent entity and the ultimate parent of the Consolidated Entity is Decimal Software Limited.

### (b) *Subsidiaries*

The subsidiaries of Decimal Software Limited are listed in the following table:

Name	Country of Incorporation	Functional Currency	Equity Interest	
			2016 %	2015 %
Decimal Technology and Systems Pty Ltd	Australia	AUD	100	100
Decimal Pty Ltd	Australia	AUD	100	100
Simpla Pty Ltd	Australia	AUD	100	100
Decimal Software (US) Inc.(	USA	USD	100	100

## 6. Associates and Joint Ventures

The Decimal Software Limited Group do not have any holdings in joint ventures or associates.

## 7. Audit report

The Group's independent audit review for the half year ended 31 December 2016 is unqualified.

A copy of the independent audit review is included with the accompanying financial statements for the half year ended 31 December 2016.

### **DECIMAL SOFTWARE LTD**

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 Phone: 1300 220 799 Fax: +61 8 6389 1977  
 ACN: 009 235 956

*Empowering your customers'  
financial future, today.*

**d.**

# Decimal Half-Year Report

## 31 December 2016

**d.ecimal**

Perth | Sydney | Melbourne | San Francisco

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## Corporate Directory

<b>Directors:</b>	Mr Mark Potts Mr Gary Cox Mr Jan Kolbusz Mr Nic Pollock
<b>Company Secretary:</b>	Mr David Gardner
<b>Registered and Principal Office:</b>	Level 12, 680 George Street Sydney, NSW 2000 Tel: 1300 220 799 Fax: +61 2 8047 8616
<b>Share Register:</b>	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, WA 6000 Tel: 1300 557 010 Int: +61 8 9323 2000 Fax: +61 8 9323 2033
<b>Stock Exchange Listing:</b>	Australian Securities Exchange Home Branch – Sydney Level 6, 20 Bridge Street Sydney, NSW 2000
<b>ASX Code:</b>	DSX – Fully Paid Ordinary Shares
<b>Bankers:</b>	Australia and New Zealand Banking Limited Level 1, 1275 Hay Street West Perth, WA 6005
<b>Solicitors:</b>	Corrs Chambers and Westgarth Brookfield Place 123/125 St Georges Terrace Perth, WA 6000
<b>Auditor:</b>	Ernst and Young 11 Mounts Bay Road Perth, WA, 6000

## Directors' Report

The Directors of Decimal Software Limited present their report on the Consolidated Entity consisting of Decimal Software Limited ("**Company**" or "**Decimal Software**" or "**Decimal**") and the entities it controlled during the half-year ended 31 December 2016 ("**Consolidated Entity**" or "**Group**").

### Directors

The names and details of the Company's Directors in office at any time during the half-year or since the end of the half-year are:

#### Current Directors

Mr Mark Potts	Non-Executive Chairman
Mr Gary Cox	Non-Executive Director
Mr Jan Kolbusz	Executive Director
Mr Nic Pollock	Chief Executive Officer and Executive Director

### Earnings per Share

	2016 Cents	2015 Cents
Basic loss per share	(1.04)	(2.26)
Diluted loss per share	(1.04)	(2.26)

### Dividends

No dividend has been declared, provided for or paid by the Consolidated Entity in respect of the half-year ended 31 December 2016 and the Directors do not at present recommend a dividend.

### Review of Results and Operations

The Group experienced an increase of 29% in sales revenue during the half-year ended 31 December 2016, while expenditure decreased by 43% and the cash position remained robust at A\$1.67 million.

Total sales revenue was \$462,345 (2015: \$357,938), while the consolidated net loss after income tax was \$2,397,406 (2015: \$4,145,992).

Proceeds from customers increased by 72% from the previous half, up to \$698,289. While in November an R&D rebate for the year ended 30 June 2016 of nearly \$1.5 million was received.

The R&D payment provides additional funding for the company's ongoing sales and marketing program for *Eqilize*, as well as enabling further development of its platform offerings for major banks.

The company's position as the premier provider of enterprise digital advice software to Australia's superannuation industry strengthened considerably during the period.

Funds Under Advice (FUA) continued its compound growth exceeding \$5 billion, an increase of 194% (\$1.7 billion 2015).

This followed confirmation of new contracts for Decimal's purpose-built *Eqilize* solution.

- In September 2016, Queensland based Energy Super, a leading provider to energy sector workers with 48,000 members and \$6.3 billion Funds Under Management (FUM), officially went live with our *Eqilize* offering.

- In October 2016, South Australia's largest superannuation fund Statewide Super confirmed a three-year agreement, also for the *Eqilize* solution. Statewide Super aims to roll out *Eqilize* alongside a range of new services to its customers, which account for more than 140,000 members and \$6.5 billion in FUM.
- In November 2016, a new commercial agreement was secured with an undisclosed national superannuation enterprise to provide access to its digital platform as part of a paid test and learn exercise. The scope involved implementing a white-labelled solution for the enterprise's customers to explore superannuation topics and receive advice.

The contracts demonstrate Decimal's growing presence among superannuation providers and highlight the continued emergence of the digital financial advice sector and adoption of the technology by enterprise to enhance the superannuation member experience.

Accordingly as the market continues to evolve rapidly, so does Decimal's sales pipeline for the half-year ahead. Advanced discussions are underway with foundation client Mercer to increase the current scope of its agreement.

Mercer is a global consulting leader that manages superannuation for more than two million Australians, representing approximately \$65b in Assets Under Administration.

Decimal has been shortlisted for a national compliance award as part of the Fintech Business Awards 2017.

### **Auditor's Independence Declaration**

Section 307C of the Corporations Act 2001 requires our auditors, Ernst and Young, to provide the directors of Decimal Software Limited with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is attached to and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



**Nic Pollock**  
**Chief Executive Officer and Executive Director**

Perth

20 February 2017

## Auditor's Independence Declaration to the Directors of Decimal Software Limited

As lead auditor for the review of Decimal Software Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b. no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Decimal Software Limited and the entities it controlled during the financial period.



Ernst & Young



T G Dachs  
Partner  
Perth  
20 February 2017

## Consolidated Statement of Comprehensive Income for the Half-Year ended 31 December 2016

	Notes	31 December 2016 \$	31 December 2015 \$
License fees		443,768	338,685
Finance income		18,577	19,253
<b>Total income</b>		<b>462,345</b>	<b>357,938</b>
<b>Total expenses</b>		<b>2,859,751</b>	<b>4,503,930</b>
Directors and employee benefits expense		1,831,636	2,627,621
Consultant expenses		9,436	227,996
Technical expenses		230,801	193,488
Professional and public listed company fees		206,883	337,380
Travel cost and entertainment		143,303	73,360
Office related expenses		97,405	780,228
Advertising, marketing and media		211,188	45,662
Other expenses		28,412	51,314
Depreciation, amortisation and impairment		39,026	56,460
Share based payment expense		61,661	110,421
<b>Loss before income tax</b>		<b>(2,397,406)</b>	<b>(4,145,992)</b>
Income tax benefit		-	-
<b>Loss for the period</b>		<b>(2,397,406)</b>	<b>(4,145,992)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period, net of tax</b>		<b>(2,397,406)</b>	<b>(4,145,992)</b>
Basic loss per share (cents per share)		(1.04)	(2.26)
Diluted loss per share (cents per share)		(1.04)	(2.26)

## Consolidated Statement of Financial Position

### as at 31 December 2016

	Notes	31 December 2016 \$	30 June 2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,671,991	2,005,388
Trade receivables		8,111	79,716
Prepayments		108,294	171,286
Other receivables and current assets	6	45,936	1,775,518
<b>TOTAL CURRENT ASSETS</b>		<b>1,834,332</b>	<b>4,031,908</b>
<b>NON-CURRENT ASSETS</b>			
<b>Other non-current assets</b>			
Property, plant and equipment		35,956	61,769
Intangible assets		62,567	78,915
Other financial assets		7,733	7,733
<b>TOTAL NON-CURRENT ASSETS</b>		<b>106,256</b>	<b>148,417</b>
<b>TOTAL ASSETS</b>		<b>1,940,588</b>	<b>4,180,325</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	206,937	376,684
Income in advance	8	161,478	-
Employee benefit liabilities		591,198	509,514
<b>TOTAL CURRENT LIABILITIES</b>		<b>959,613</b>	<b>886,198</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefit liabilities		51,847	29,254
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>51,847</b>	<b>29,254</b>
<b>TOTAL LIABILITIES</b>		<b>1,011,460</b>	<b>915,452</b>
<b>NET ASSETS</b>		<b>929,128</b>	<b>3,264,873</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the parent</b>			
Contributed equity		32,861,410	32,861,410
Reserves		901,229	839,568
Accumulated losses		(32,833,511)	(30,436,105)
<b>TOTAL EQUITY</b>		<b>929,128</b>	<b>3,264,873</b>

## Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2016

	Contributed Equity \$	Treasury shares \$	Share Based Payment Reserves \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 July 2015</b>	<b>29,580,351</b>	<b>(73,886)</b>	<b>680,538</b>	<b>(26,397,035)</b>	<b>3,789,968</b>
Other comprehensive income	-	-	-	-	-
Loss for the period	-	-	-	(4,145,992)	(4,145,992)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,145,992)</b>	<b>(4,145,992)</b>
Equity transactions:					
Issue of ordinary shares	1,820,000	-	-	-	1,820,000
Cost of share issue	(83,565)	-	-	-	(83,565)
Share based payment transaction - options	-	-	110,421	-	110,421
<b>As at 31 December 2015</b>	<b>31,316,786</b>	<b>(73,886)</b>	<b>790,959</b>	<b>(30,543,027)</b>	<b>1,490,832</b>
<b>Balance at 1 July 2016</b>	<b>32,898,379</b>	<b>(36,969)</b>	<b>839,568</b>	<b>(30,436,105)</b>	<b>3,264,873</b>
Other comprehensive income	-	-	-	-	-
Loss for the period	-	-	-	(2,397,406)	(2,397,406)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,397,406)</b>	<b>(2,397,406)</b>
Equity transactions:					
Issue of ordinary shares	-	-	-	-	-
Cost of share issue	-	-	-	-	-
Share based payment transaction - options	-	-	61,661	-	61,661
<b>As at 31 December 2016</b>	<b>32,898,379</b>	<b>(36,969)</b>	<b>901,229</b>	<b>(32,833,511)</b>	<b>929,128</b>

## Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2016

	Notes	31 December 2016 \$	31 December 2015 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(2,695,998)	(4,498,550)
Receipts from license fees		698,289	405,971
Receipt of research and development tax rebate		1,498,767	1,779,871
Interest received		20,403	24,187
<b>Net cash flows used in operating activities</b>		<b>(478,539)</b>	<b>(2,288,521)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	(1,000)
Proceeds from disposal of property, plant and equipment		-	7,963
Payments for intangible assets		-	(18,247)
Net proceeds on return of bank guarantee		145,142	-
<b>Net cash flows from/ (used in) investing activities</b>		<b>145,142</b>	<b>(11,284)</b>
<b>Cash flows from financing activities</b>			
Receipts from share issues		-	1,820,000
Payments for share issue costs		-	(83,565)
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>1,736,435</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(333,397)</b>	<b>(563,370)</b>
Cash at 1 July		2,005,388	2,878,306
<b>Cash at 31 December</b>		<b>1,671,991</b>	<b>2,314,936</b>

## Notes to the Financial Statements

For the six months ended 31 December 2016

### 1. Corporate Information

Decimal Software Limited (DSX or the Company) is a company domiciled in Australia, and whose shares are publicly traded on the Australian Securities Exchange. The half-year financial statements are for the consolidated entity consisting of DSX and its subsidiaries (together referred to as the Group). The half-year financial statements were authorised for issuance by the Board of Directors on 20 February 2017.

The nature of the operations and principal activities of the Consolidated Entity are being a Technology focused provider of cloud-based solutions, predominantly to the financial services sector.

### 2. Basis of Preparation of Interim Report

The half-year financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. The half-year financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The half-year financial statements do not include all of the information required for full-year financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2016 and any public announcements made by the Company during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies applied by the Group in the consolidated financial statements for the year ended 30 June 2016 have been consistently applied in these half-year financial statements.

#### Going concern

During the half-year the consolidated entity continued to incur losses and operating cash outflows as a result of continuing to implement its business plan to grow its sale pipeline and generate future sales.

For the half-year ended 31 December 2016, the consolidated entity incurred a loss from continuing operations after tax of \$2,397,406, and had operating cash outflows of \$478,539 and a net current asset surplus of \$874,719.

Notwithstanding these matters, the consolidated financial statements have been prepared on a going concern basis. The Directors consider this to be appropriate for the following reasons:

- the company raised \$2.29 million through the issues of shares in January 2017;
- the projected cash flow through the implementation of its current business plan and continuing to sign new customers; and
- the ability to vary cash flow dependant on the level of achievement of certain milestones within the business plan.

The directors have reasonable expectations that existing cash, and additional inflows from sales from existing and future customers and a future R&D rebate consistent with prior year will be sufficient to sustain operations for a period of not less than 12 months from the date of signing the financial report. The company has the ability to adjust its cash flows to ensure that it can pay its debts as and when they fall due.

However, if the consolidated entity is unable to successfully commercialise their intellectual property, or obtain such funding at an amount and timing necessary to meet the future operational plans, it may be unable to continue as a going concern.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and therefore whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial

report. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

### 3. Significant Accounting Policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2016. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

### 4. Segment Information

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

The Group operated in a single operating segment during the financial half-year and no segment report has therefore been included in the financial statements.

### 5. Share Based Payment Transactions

#### *Recognised Share Based Payment Expenses*

	Consolidated	
	2016 \$	2015 \$
Expense arising from equity settled share based payment transactions	61,661	110,421

### Share Based Payment - Options

#### *(a) Share Based Payment Plan*

##### **Employees and Executives Option Plan**

A new Employees and Executives option plan was established on 1 July 2014 where Decimal Software may at the discretion of the Board, grant options over the ordinary shares of Decimal Software to executives and certain members of staff of the Consolidated Entity. The options, issued for nil consideration, are granted in accordance with guidelines established by the Directors of Decimal Software. The contractual life of each option granted is variable. The vesting period is pre-determined by the Company without considering the performance conditions. There are no cash settlement alternatives.

The share options are forfeited if the Company initiates the termination of the employee, the employee resigns or director due to serious misconduct. The options will not be quoted on the ASX.

#### *(b) Summary of Options Granted*

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period:

	2016	WAEP
Outstanding at the beginning of the period	17,333,343	0.41
Granted during the period	2,500,000	0.15
Exercised during the period	-	-
Forfeited during the period	-	-

Expired during the period	-	-
Outstanding at the end of the period	<b>19,833,343</b>	<b>0.31</b>

The outstanding balance as at 31 December 2016 is represented by:

- 3,333,343 options over ordinary shares with an exercise price of \$0.345 each, exercisable and will expire on 15 July 2017.
- 3,000,000 options over ordinary shares with an exercise price of \$0.345 each, exercisable and will expire on 15 July 2017.
- 1,166,666 options over ordinary shares with an exercise price of \$0.40 each, exercisable and will expire on 30 June 2017.
- 666,666 options over ordinary shares with an exercise price of \$0.50 each, exercisable and will expire on 30 June 2018.
- 666,668 options over ordinary shares with an exercise price of \$0.60 each, exercisable and will expire on 30 June 2019.
- 1,333,333 options over ordinary shares with an exercise price of \$0.18 each, exercisable and will expire on 23 November 2018
- 1,333,333 options over ordinary shares with an exercise price of \$0.35 each, exercisable and will expire on 23 November 2019.
- 1,333,334 options over ordinary shares with an exercise price of \$0.60 each, exercisable and will expire on 23 November 2020.
- 3,500,000 options over ordinary shares with an exercise price of \$0.12 each, exercisable and will expire on 27 January 2019.
- 333,333 options over ordinary shares with an exercise price of \$0.15 each, exercisable and will expire on 24 March 2019.
- 333,333 options over ordinary shares with an exercise price of \$0.35 each, exercisable and will expire on 24 March 2020.
- 333,334 options over ordinary shares with an exercise price of \$0.60 each, exercisable and will expire on 24 March 2021.
- 250,000 options over ordinary shares with an exercise price of \$0.12 each, exercisable and will expire on 8 September 2019
- 250,000 options over ordinary shares with an exercise price of \$0.24 each, exercisable and will expire on 8 September 2020.
- 666,666 options over ordinary shares with an exercise price of \$0.08 each, exercisable and will expire on 14 June 2018.
- 666,666 options over ordinary shares with an exercise price of \$0.12 each, exercisable and will expire on 14 June 2019.
- 666,668 options over ordinary shares with an exercise price of \$0.24 each, exercisable and will expire on 14 June 2020.

*(c) Weighted Average Remaining Contractual Life*

The weighted average remaining contractual life for the share options outstanding at 31 December 2016 is 1.78 years.

*(d) Range of Exercise Prices and Weighted Average Share Price at the Date of Exercise*

The range of exercise prices for options outstanding at the end of the period was \$0.08-\$0.60. There were no options exercised in the current or prior period.

*(e) Option Pricing Model***Equity Settled Transactions**

The consolidated entity granted 2,500,000 options during the period.

**6. Other receivables and current assets**

	Consolidated	
	31 Dec 2016 \$	30 June 2016 \$
<b>Current assets – other receivables and current assets</b>		
R&D receivable	-	1,482,542
Interest receivable	2,692	4,306
NET GST receivable	3,080	31,909
Security deposits	-	256,761
Other receivables	40,164	-
<b>Total current assets – other receivables and current assets</b>	<b>45,936</b>	<b>1,775,518</b>

**7. Trade and Other Payables**

	Consolidated	
	31 Dec 2016 \$	30 June 2016 \$
<b>Current liabilities-Trade and other payables</b>		
Trade payables	124,675	213,184
Accrued expenses	82,262	163,500
<b>Total current liabilities-trade and other payables</b>	<b>206,937</b>	<b>376,684</b>

**8. Income in advance**

	Consolidated	
	31 Dec 2016 \$	30 June 2016 \$
<b>Current liabilities – income in advance</b>		
Income in advance	161,478	-
<b>Total current liabilities- income in advance</b>	<b>161,478</b>	<b>-</b>

Income in advance relates to advance payment from customers for future contractual services whereby the Consolidated Entity has not yet performed the services at reporting date.

## 9. Fair Value

### Financial Instruments fair value

Due to the short-term nature of the trade receivables, other current assets and receivables their carrying amount approximates their fair value.

## 10. Significant Events after Balance date

### Capital placement

On 25 January 2017 Decimal completed a capital placement of 57.3 million shares at \$0.04 per share to raise \$2.29 million gross proceeds.

The capital placement included an investment from global fund manager IFM that now holds a 6.5% stake in Decimal. IFM is owned by 28 major superannuation funds and has more than \$72 billion in assets under management.

### Mercer agreement

On February 14, Decimal announced a new agreement with Mercer which will see the global consulting leader offer *Eqilize* to the numerous superannuation funds it services.

The funds account for more than two million members and an approximate \$65 billion in Assets Under Administration, including Mercer's flagship superannuation product the Mercer Super Trust.

## Director's Declaration

In accordance with a resolution of the Directors of Decimal Software Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
  - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
  - (ii) section 305 (true and fair view); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, subject to the achievement of the matters set out in Note 2.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Board



**Nic Pollock**  
**Chief Executive Officer and Executive Director**

Perth

20 February 2017

## Report on the Half-Year Financial Report to the members of Decimal Software Limited

We have reviewed the accompanying half-year financial report of Decimal Software Limited, which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

### Directors' responsibility for the half-year financial report

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

### Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Decimal Software Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Decimal Software Limited is not in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

## Emphasis of matter

Without qualifying our conclusion, we draw attention to Note 2 in the financial report. The matters as set forth in Note 2 indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.



Ernst & Young



T G Dachs  
Partner  
Perth  
20 February 2017