



**GENTRACK GROUP LIMITED
INTERIM REPORT**



**FOR THE SIX MONTHS
ENDED 31 MARCH**

2017

Gentrack





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CHAIRMAN AND CHIEF EXECUTIVE'S COMMENTARY



John Clifford, Chairman



Ian Black, CEO

Gentrack has delivered a strong result for the first half of FY17. Revenue reached \$28.9m (+24% on H1 FY16), with EBITDA¹ of \$8.8m (+31% on H1 FY16) and NPAT of \$5.6m (+46% on H1 FY16).

The business completed a busy first half with key utilities and airport projects continuing in Australia and Europe. Project services revenue was up 37% and recurring fees up 9%. Growth in the UK has continued with revenue up 27% while Australian revenue climbed 28% above the same period last year.

Headcount was up 24% on the same period last year, reaching 286, and represents the ongoing investment in resources to support projects and R&D plans for its software solutions. Further investment in product development, people and systems can be expected in the second half of the fiscal year.

The Utilities business secured several new software projects in Australia, New Zealand and the UK including Pulse Utilities, Vector and Ovo Energy, and went live with Velocity at Good Energy, contributing to the strong first half performance. Utilities revenues achieved a 31% increase for the half while EBITDA¹ was up 50%.

2017 INTERIM RESULTS

\$28.9m

Revenue

2016 \$23.3m (up **24%**)

\$8.8m

EBITDA¹

2016 \$6.7m (up **31%**)

\$5.6m

NPAT

2016 \$3.8m (up **46%**)

¹ Underlying EBITDA, being earnings before net finance expense, income tax, depreciation, amortisation and non-operating costs.

While first half revenues from Gentrack's Airport division were down 11% due to the timing of new projects which started late in H1 FY17, the business continued its success in Europe and North America with Greenland Airports Authority and Jersey Airport becoming the latest customers to sign for the Airport 20/20 solution. Its first South American customer, Santiago Airport in Chile, also went live.

Gentrack is pleased to declare a H1 FY17 dividend of 4.2cps, repeating its interim dividend for the same period last year.

Based on the current sales pipeline, continuing projects and part year contribution from recent acquisitions, the company expects to achieve approximately 20% EBITDA¹ growth (excluding one off acquisition costs).



John Clifford
Chairman
24 May 2017



Ian Black
CEO
24 May 2017

4.2cps

Interim dividend

2016 4.2cps





 **INTERIM
REPORT**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2017

\$000	NOTES	6 MONTHS UNAUDITED GROUP 31 MARCH 2017	6 MONTHS UNAUDITED GROUP 31 MARCH 2016	12 MONTHS AUDITED GROUP 30 SEPTEMBER 2016
Revenue	3	28,944	23,263	52,734
Expenditure	4	(20,104)	(16,524)	(36,007)
Profit before depreciation, amortisation, non-operating expenses, financing and tax		8,840	6,739	16,727
Depreciation and amortisation		(1,287)	(1,164)	(2,377)
Non-operating expenses	5	(395)	-	-
Profit before financing and tax		7,158	5,575	14,350
Finance income		495	90	187
Finance expense		-	(407)	(1,395)
Net finance cost	6	495	(317)	(1,208)
Profit before tax		7,653	5,258	13,142
Income tax expense		(2,091)	(1,448)	(3,534)
Profit attributable to the shareholders of the company		5,562	3,810	9,608
OTHER COMPREHENSIVE INCOME				
Exchange differences on translation of foreign operations		94	(5)	78
Total comprehensive income for the period		5,656	3,805	9,686
EARNINGS PER SHARE FROM TOTAL COMPREHENSIVE INCOME (EXPRESSED IN DOLLARS PER SHARE)				
Basic and diluted earnings per share		\$0.08	\$0.05	\$0.13
Weighted average number of ordinary shares issued				
Basic	11	72,804	72,700	72,700
Diluted	13	73,033	72,700	72,763

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

\$000	NOTES	6 MONTHS UNAUDITED GROUP 31 MARCH 2017	6 MONTHS UNAUDITED GROUP 31 MARCH 2016	12 MONTHS AUDITED GROUP 30 SEPTEMBER 2016
CURRENT ASSETS				
Cash and cash equivalents	7	79,217	9,880	18,818
Trade and other receivables	8	12,976	11,806	9,791
Income tax in advance		1,616	12	-
Total current assets		93,809	21,698	28,609
NON-CURRENT ASSETS				
Property, plant and equipment		1,032	776	1,024
Goodwill		40,277	40,277	40,277
Intangibles		15,352	17,208	16,366
Deferred tax asset		1,565	1,216	1,914
Total non-current assets		58,226	59,477	59,581
Total assets		152,035	81,175	88,190
CURRENT LIABILITIES				
Trade payables and accruals	9	1,553	1,760	1,570
Income tax payable		-	-	972
Deferred revenues		7,125	6,186	8,479
GST payable		796	312	501
Employee entitlements		2,922	1,921	3,299
Total current liabilities		12,396	10,179	14,821
NON-CURRENT LIABILITIES				
Borrowing	10	30,274	-	-
Employee entitlements		323	284	334
Deferred tax liabilities		2,428	2,637	2,072
Total non-current liabilities		33,025	2,921	2,406
Total liabilities		45,421	13,100	17,227
Net assets		106,614	68,075	70,963
EQUITY				
Share capital	11	95,908	60,396	60,396
Share based payment reserve		142	-	61
Foreign currency transaction reserve		334	157	240
Retained earnings		10,230	7,522	10,266
Total equity		106,614	68,075	70,963

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2017

GROUP (UNAUDITED TO 31 MARCH 2017) (\$000)	NOTES	SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
Balance as at 1 October 2016		60,396	61	10,266	240	70,963
Profit after tax for the period		-	-	5,562	-	5,562
Other comprehensive income		-	-	-	94	94
Total comprehensive income for the period, net of tax		-	-	5,562	94	5,656
Transaction with owners: Issue of capital	11	35,512	-	-	-	35,512
Dividend paid	17	-	-	(5,598)	-	(5,598)
Share based payments		-	81	-	-	81
Balance at 31 March 2017		95,908	142	10,230	334	106,614

GROUP (UNAUDITED TO 31 MARCH 2016) (\$000)		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
Balance as at 1 October 2015		60,396	-	8,946	162	69,504
Profit after tax for the period		-	-	3,810	-	3,810
Other comprehensive income		-	-	-	(5)	(5)
Total comprehensive income for the period, net of tax		-	-	3,810	(5)	3,805
Transaction with owners: Dividend paid		-	-	(5,234)	-	(5,234)
Balance at 31 March 2016		60,396	-	7,522	157	68,075

GROUP (AUDITED TO 30 SEPTEMBER 2016) (\$000)		SHARE CAPITAL	SHARE BASED PAYMENT RESERVE	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
Balance as at 1 October 2015		60,396	-	8,946	162	69,504
Profit attributable to the shareholders of the company		-	-	9,608	-	9,608
Other comprehensive income		-	-	-	78	78
Total comprehensive income for the period, net of tax		-	-	9,608	78	9,686
Transaction with owners: Dividends paid		-	-	(8,288)	-	(8,288)
Share based payments		-	61	-	-	61
Balance at 30 September 2016		60,396	61	10,266	240	70,963

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 MARCH 2017

\$000	NOTES	6 MONTHS UNAUDITED GROUP 31 MARCH 2017	6 MONTHS UNAUDITED GROUP 31 MARCH 2016	12 MONTHS AUDITED GROUP 30 SEPTEMBER 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers		25,013	22,069	55,242
Payments to suppliers and employees		(20,936)	(15,903)	(33,832)
Income tax paid		(3,909)	(3,190)	(5,651)
Net cash inflow from operating activities	18	168	2,976	15,759
CASH FLOWS FROM INVESTING ACTIVITIES				
Property, plant and equipment		(230)	(262)	(745)
Purchase of intangibles		(28)	-	(165)
Costs in relation to acquisitions		(395)	-	-
Net cash outflow from investing activities		(653)	(262)	(910)
CASH FLOWS FROM FINANCING ACTIVITIES				
Gross proceeds from issue of share capital	11	35,512	-	-
Drawdown of borrowings	10	30,274	-	-
Dividends paid	17	(5,598)	(5,234)	(8,288)
Net interest received		70	91	187
Net cash inflow/(outflow) from financing activities		60,258	(5,143)	(8,101)
Net increase/(decrease) in cash held		59,773	(2,429)	6,748
Foreign currency translation adjustment		626	(63)	(302)
Cash at beginning of the financial period		18,818	12,372	12,372
Closing cash and cash equivalents		79,217	9,880	18,818

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2017

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

These unaudited consolidated condensed interim financial statements of Gentrack Group Limited (the Company) and its subsidiaries (together "the Group") have been prepared in accordance with the New Zealand equivalent of IAS34: Interim Financial Reporting and New Zealand Generally Accepted Accounting Practice ("NZ GAAP").

The Group is a profit-oriented entity for financial reporting purposes.

The Company is a FMC entity for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013 and is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

These unaudited consolidated condensed interim financial statements of the Group for the six months ended 31 March 2017 have been prepared using the same accounting policies and methods of computation as, and should be read in conjunction with, the financial statements and related notes included in the Group's Annual Report for the year ended 30 September 2016.

The same significant judgements, estimates and assumptions included in the notes to the financial statements in the Group's Annual Report for the year ended 30 September 2016 have been applied to these consolidated condensed interim financial statements.

Certain comparatives have been reclassified to ensure consistency with the current period.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2017

2. OPERATING SEGMENTS

The Group currently operates in two business segments: utility billing software and airport management software. These segments have been determined based on the reports reviewed by the Board to make strategic decisions.

The assets and liabilities of the Group are reported to and reviewed by the Chief Operating Decision Maker in total and are not allocated by business segment. Therefore, operating segment assets and liabilities are not disclosed.

\$000	UTILITY	AIRPORT	TOTAL
GROUP – FOR THE SIX MONTHS ENDED 31 MARCH 2017 (UNAUDITED)			
External revenue	25,615	3,329	28,944
Total external expenditure	(17,740)	(2,364)	(20,104)
Segment contribution	7,875	965	8,840
Depreciation and amortisation	-	-	(1,287)
Non-operating expenses	-	-	(395)
Finance income	-	-	495
Income tax expense	-	-	(2,091)
Profit attributable to the shareholders of the company	-	-	5,562
GROUP – FOR THE SIX MONTHS ENDED 31 MARCH 2016 (UNAUDITED)			
External revenue	19,510	3,753	23,263
Total external expenditure	(14,263)	(2,261)	(16,524)
Segment contribution	5,247	1,492	6,739
Depreciation and amortisation	-	-	(1,164)
Finance income	-	-	90
Finance expense	-	-	(407)
Income tax expense	-	-	(1,448)
Profit attributable to the shareholders of the company	-	-	3,810
GROUP – FOR THE YEAR ENDED 30 SEPTEMBER 2016 (AUDITED)			
External revenue	44,770	7,964	52,734
Total expenditure	(30,771)	(5,236)	(36,007)
Segment contribution	13,999	2,728	16,727
Depreciation and amortisation	-	-	(2,377)
Finance income	-	-	187
Finance expense	-	-	(1,395)
Income tax expense	-	-	(3,534)
Profit attributable to the shareholders of the company	-	-	9,608
\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
REVENUE BY DOMICILE OF ENTITY			
Australia	14,319	11,163	25,436
New Zealand	8,180	12,100	27,298
United Kingdom	6,445	-	-
	28,944	23,263	52,734
REVENUE BY DOMICILE OF CUSTOMER			
Australia	15,079	11,782	26,618
New Zealand	5,659	4,577	9,939
United Kingdom	6,445	5,089	12,543
Rest of World	1,761	1,815	3,634
	28,944	23,263	52,734

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2017

3. REVENUE

\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
OPERATING REVENUE:			
Recurring	7,690	7,041	14,424
Non-recurring	1,355	1,677	3,626
Professional services	19,672	14,390	34,172
	28,717	23,108	52,222
OTHER INCOME:			
Government grants	227	155	512
	28,944	23,263	52,734

4. EXPENDITURE

\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
Employee entitlements	14,306	11,332	24,813
Superannuation costs	437	366	765
Staff recruitment	227	354	669
Third party customer-related costs	881	731	1,882
Occupancy costs	774	858	1,659
Travel related	611	481	1,060
Advertising and marketing	628	509	985
Consulting and subcontracting	1,213	796	1,998
Communication and office administration	321	362	718
Doubtful debts	-	146	299
Directors' fees	175	157	332
Auditors' remuneration - audit and review fees	29	25	155
Auditors' remuneration - non-audit services	187	91	135
Other operating expenses	315	316	537
Total expenditure	20,104	16,524	36,007

5. NON-OPERATING EXPENSES

\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
Costs relating to acquisitions	395	-	-
	395	-	-

In March 2017 \$395,000 of costs comprising legal and due diligence fees were incurred to the end of March in the acquisitions described in Note 17.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2017

6. NET FINANCE COST

\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
FINANCE INCOME			
Interest income	70	90	187
Foreign exchange gains	425	-	-
	495	90	187
FINANCE EXPENSE			
Interest expense	-	(1)	-
Foreign exchange losses	-	(406)	(1,395)
	-	(407)	(1,395)
Net finance cost	495	(317)	(1,208)

7. CASH AND CASH EQUIVALENTS

\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
Bank balances	79,212	9,875	18,813
Cash on hand	5	5	5
	79,217	9,880	18,818

Included in the bank balances are the proceeds of the share issue described in Note 11 of \$35.5m and the proceeds of borrowings of \$30.3m.

These funds were held in trust at 31 March 2017 for the acquisition of Junifer Systems Limited described in Note 17.

8. TRADE AND OTHER RECEIVABLES

\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
Trade debtors	8,865	9,439	5,921
Provision for doubtful debts	(121)	(490)	(115)
Provision for warranty claims	(15)	(15)	(15)
Work in progress/accrued revenue	3,215	2,045	3,235
Sundry receivables and prepayments	1,032	827	765
	12,976	11,806	9,791

9. TRADE PAYABLES AND ACCRUALS

\$000	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
Trade creditors	1,014	715	683
Sundry accruals	539	1,045	887
	1,553	1,760	1,570

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2017

10. BORROWING

The Company has a secured NZ\$50.5 million multi-currency 5 year term facility with ASB Bank Limited to provide additional funding as required for acquisitions and general corporate purposes. This facility expires on 31 March 2022 and will be subject to renewal by negotiation.

The facility is secured by a general security agreement under which the bank has a security interest in all of the Group's tangible assets. As at 31 March 2017 NZ\$30.3m has been drawn down. The remaining unutilised portion of the facility is NZ\$20.2 million.

Covenants in place include a gearing ratio and interest cover covenant which are reported quarterly commencing 30 September 2017.

11. CAPITAL

000	SHARES ISSUED			SHARE CAPITAL		
	6 MONTHS UNAUDITED GROUP 31 MARCH 2017	6 MONTHS UNAUDITED GROUP 31 MARCH 2016	12 MONTHS AUDITED GROUP 30 SEPTEMBER 2016	6 MONTHS UNAUDITED GROUP 31 MARCH 2017	6 MONTHS UNAUDITED GROUP 31 MARCH 2016	12 MONTHS AUDITED GROUP 30 SEPTEMBER 2015
Ordinary Shares	72,699	72,699	72,699	60,396	60,396	60,396
Issue of new ordinary shares	9,538	-	-	35,512	-	-
	82,237	72,699	72,699	95,908	60,396	60,396

On 30 March 2017, Gentrack Group Limited received gross proceeds of \$35.5 million from the allotment of 9,538,373 new ordinary shares at an issue price of \$3.723 per share. Refer Note 17 for further detail.

12. RELATED PARTIES

IDENTITY OF RELATED PARTIES

The group has related party relationships with its subsidiaries which are listed in the Group's Annual Report for the year ended 30 September 2016. Since the 2016 Group Annual Report, Gentrack UK Limited has become a trading entity (previously dormant) and a new company Gentrack Holdings (UK) Limited has been incorporated. The related party transactions primarily consist of the purchase and sale of software products, provision of technical support, loan advances and repayments, consultancy services and management charges on commercial terms.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Key management personnel compensation comprised \$1,512k for the period (30 September 2016: \$2,453k ; 31 March 2016:\$1,208k).

Directors fees comprised \$175k for the period (30 September 2016: \$332k; 31 March 2016: \$157k).

13. EMPLOYEE SHARE SCHEME

During the period the Company allocated 75,859 unlisted performance rights for nil consideration to senior executives under the Gentrack Long Term Incentive Scheme. Vesting is conditional on the completion of the necessary years' service to the vesting date and performance goals over the vesting period.

14. FINANCIAL RISK MANAGEMENT

FAIR VALUE MEASUREMENT

The carrying amounts of the Group's financial assets and liabilities approximate to their fair value due to their short maturity periods or fixed rate nature.

15. CAPITAL COMMITMENTS

Gentrack had signed a Sale and Purchase Agreement to acquire Junifer Systems Limited at 31 March 2017. Further details of the acquisition are described in Note 17. (Capital Expenditure Commitments as at 30 September 2016 and 31 March 2016: \$nil).

16. CONTINGENCIES

ANZ New Zealand has provided the following guarantees on behalf of the Gentrack Group:

NZD\$268,407 (AUD\$245,700) to Australia and New Zealand Banking Group. This guarantee is open ended.

NZD\$75,000 to NZX Limited. This guarantee has no expiry date.

NZD\$182,744 (HKD994,528) to ANZ Hong Kong. This guarantee expires on 8 September 2019.

NZD\$2,184,837 (AUD\$2,000,000) to Australia and New Zealand Banking Group. This guarantee expires on 10 May 2017.

NZD\$87,706 (EUR57,509) to Isavia Limited. This guarantee expires on 1 APRIL 2017.

NZD\$55,997 (AUD\$52,175) to ANZ Trade and Supply Chain.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2017

17. EVENTS AFTER THE BALANCE DATE

On 1 April 2017, Gentrack acquired 100% of the share capital of Junifer Systems Limited ("Junifer"), a UK based utility customer information and billing system provider, for an enterprise value of £42.0m (NZ\$74.6m). The acquisition was funded via:

- NZ\$35.5m (£20m) ordinary share placement to HgCapital at NZ\$3.72 per share
- NZ\$5.3m (£3m) ordinary share placement to Junifer vendors at NZ\$3.65 per share
- NZ\$33.8m (£19m) via bank debt and cash

Junifer is a market leading utility customer information and billing system provider for energy retailers in the UK with 25 existing customers out of approximately 50 energy retailers in that market. Junifer's technology is provided on a SaaS basis and offers new entrant utilities a cost effective and preconfigured solution.

On 23 April, Gentrack acquired 79.81% of Blip Systems A/S "Blip" from a private equity vendor for DKK41m (NZ\$8.4m) with additional consideration capped at DKK5.6m (NZ\$1.1m) dependent upon December 2017 annual revenue and a put/call option on the remaining 20.19% held by management. The acquisition was funded by bank debt. Blip, based in Denmark, is a world leader in passenger flow, queue prediction and capacity forecasting software. Blip has 26 airport customers worldwide including Schiphol, JFK T4, Geneva and Auckland. The management put/call option is based on the higher of the price paid per share under the initial purchase or 10x average EBITDA over the three years to 31 December 2019.

On 8 May 2017, Gentrack acquired 75% of CA Plus Limited from its founder for EUR7.5m (NZ\$11.9m), with a put/call option for the remaining 25%. CA Plus, based in Malta, is an early stage business which has developed a world leading software solution for the management, optimisation and auditing of airport retail concession revenue. It has six airport customers including London City, Antigua, Quito, Malta and Nairobi. The put/call option is based on cumulative EBITDA over the three years to 31 December 2019 and is capped at an amount of EUR7.5m (NZ\$11.9m). The acquisition was funded by a mixture of bank debt and cash.

As these acquisitions have occurred recently, the purchase price allocation will be disclosed in the 30 September 2017 financial statements.

On 24 May 2017, Gentrack Group confirmed the appointment of Mr Nicholas Humphries to its Board of Directors as a non-executive director. A dividend of \$3,515,285 (\$0.042 per share) was declared on 24 May 2017 for the six months ended 31 March 2017, and will be paid on 27 June 2017. During the period a final dividend of \$5,597,862 (\$0.077 per share) was paid on the 16 December 2016.

There have been no other events subsequent to 31 March 2017 which materially impact on the results reported.

18. RECONCILIATION OF OPERATING CASH FLOWS

	UNAUDITED 31 MARCH 2017	UNAUDITED 31 MARCH 2016	AUDITED 30 SEPTEMBER 2016
Profit after tax	5,562	3,810	9,608
ADD/(LESS) NON-CASH ITEMS			
Deferred tax	764	(400)	(1,705)
Other non-cash (income)/expenses	(376)	306	1,421
Depreciation and amortisation	1,287	1,164	2,377
	7,237	4,880	11,701
ADD/(LESS) MOVEMENTS IN OTHER WORKING CAPITAL			
Decrease in tax payable	(2,582)	(1,341)	(411)
Increase in trade and other receivables	(3,033)	(1,559)	(360)
Increase in GST payable	270	66	265
(Decrease)/increase in deferred revenue	(1,556)	590	3,010
(Decrease)/increase in employee entitlements	(452)	213	1,696
(Decrease)/increase in trade payables and accruals	(41)	218	45
	(157)	3,067	15,946
ITEMS CLASSIFIED AS INVESTING ACTIVITY			
Net finance income	(70)	(91)	(187)
Costs in relation to acquisitions	395	-	-
Net cash inflow from operating activities	168	2,976	15,759



Independent Review Report

To the shareholders of Gentrack Group Limited

Report on the interim consolidated financial statements

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements on pages 8 to 17 do not:

- i. present fairly in all material respects the Group's financial position as at 31 March 2017 and its financial performance and cash flows for the 6 month period ended on that date; and
- ii. comply with NZ IAS 34 Interim Financial Reporting.

We have completed a review of the accompanying interim consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2017;
- the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the 6 month period then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.



Basis for conclusion

A review of interim consolidated financial statements in accordance with NZ SRE 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410") is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

As the auditor of Gentrack Group Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

Our firm has also provided other services to the group in relation to financial and tax due diligence, tax compliance and accounting advisory. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as reviewer of the group. The firm has no other relationship with, or interest in, the group.



Use of this Independent Review Report

This report is made solely to the shareholders as a body. Our review work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the Independent Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders as a body for our audit work, this report, or any of the opinions we have formed.

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Responsibilities of the Directors for the interim consolidated financial statements

The Directors, on behalf of the group, are responsible for:

- the preparation and fair presentation of the interim consolidated financial statements in accordance with NZ IAS 34 Interim Financial Reporting;
- implementing necessary internal control to enable the preparation of interim consolidated financial statements that are fairly presented and are free from material misstatement, whether due to fraud or error; and
- assessing the ability of the group to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the review of the interim consolidated financial statements

Our responsibility is to express a conclusion on the interim financial statements based on our review. We conducted our review in accordance with NZ SRE 2410. NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with NZ IAS 34 Interim Financial Reporting.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on these interim consolidated financial statements.

This description forms part of our Independent Review Report.

KPMG
Auckland

25 May 2017

CORPORATE DIRECTORY

REGISTERED OFFICE

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POSTAL ADDRESS

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NEW ZEALAND INCORPORATION NUMBER

3768390

AUSTRALIAN REGISTERED BODY NUMBER (ARBN)

169 195 751

DIRECTORS

John Clifford, Chairman
Andy Coupe
James Docking
Nicholas Humphries*
Graham Shaw
Leigh Warren

* Nicholas Humphries was appointed by the Board as a non-executive director on 24 May 2017.

COMPANY SECRETARY

Jon Kershaw

AUDITOR

KPMG

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LEGAL ADVISERS

BELL GULLY

BANKERS

ASB LIMITED

ANZ LIMITED

HSBC PLC

SHARE REGISTRAR

NEW ZEALAND

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