

**HIRE INTELLIGENCE INTERNATIONAL LIMITED  
AND ITS CONTROLLED ENTITIES**

ABN 79 098 210 121

**HALF-YEAR FINANCIAL STATEMENTS**

**31 DECEMBER 2009**

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Hire Intelligence International Limited and its controlled entities

**Directors' report**

For the half year ended 31 December 2009

The directors of Hire Intelligence International Limited (HII) present their report together with the consolidated financial statements for the half-year ended 31 December 2009 and the auditor's review report thereon.

Notwithstanding a weak first half Hire Intelligence anticipates full year earnings before interest and tax (EBIT), being between \$1.9 million and \$2.5 million. This compares with a normalised EBIT of \$1.7 million in FY2009. If the midpoint of the range is achieved the current financial year will be Hire Intelligence's 6<sup>th</sup> year of normalised growth in EBIT during the past 7 years.

These solid results flow from the effectiveness of our:

- Organisational and structural changes
- Increased focus on company owned outlets
- Highly skilled, fully trained, motivated employees
- Innovative sales and marketing techniques
- Iconic brand
- Integrated computer fleet management and accounting system
- Business process technology
- KPIs
- Reporting systems
- Tight cost controls
- Critical mass and
- Financial strength

Our company owned outlets, as a group, are currently anticipated to continue achieving profit growth with Busby losses continuing this financial year. The Franchise Division's profit is expected to remain largely unchanged. Corporate expenses remain tightly controlled.

If HII declares a dividend this financial year it anticipates declaring a fully franked dividend of between 0 cents and 1.0 cents per share.

Hire Intelligence is financially sound. The Net Assets of 17.9 cents per share have increased by 4.0% since 30 June 2009.

**About Hire Intelligence**

Hire Intelligence is Australia's dominant short-term business Information Technology (IT) and Audio-Visual (AV) equipment rental supplier. Its 9 company owned outlets in London, Dublin, Auckland (effective 1<sup>st</sup> March) and key Australian capital cities form the core of its solid and consistent profitability.

In addition to the 9 (effective 1<sup>st</sup> March) directly operated outlets there are another 6 franchised operations covering 10 territories across Australia and the UK. The business is the largest short term rental company in Australia and the second largest operator in the UK.

During the 2008 fiscal year, "Busby Web Solutions" was created to market and deliver web solutions and operates independent of the equipment rental business.

The group purchased a fully tenanted commercial property at 23 Barrack Street, Perth for \$7.896 million on 2 December 2009. This investment property has a net lettable area of 1,206 M<sup>2</sup> with a site area of 359 M<sup>2</sup>. Based on the current plot ratio of 5 to 1, a further 589 M<sup>2</sup> can potentially be added.

Hire Intelligence International Limited and its controlled entities

**Directors' report**

For the half year ended 31 December 2009



The group consists of four business divisions: Operations, Franchising, Property and Web Solutions, each reporting to the Corporate Head Office. The Franchise and Web Solutions businesses are operated by wholly-owned subsidiaries (Cityside Asset Pty Ltd and Busby Web Solutions Pty Ltd respectively).

Hire Intelligence has created a powerful proprietary business process system to control every aspect of outlet operations with a comprehensive Operations Manual and related training courseware. This is coupled with advanced bespoke IT systems to ensure highly consistent and cost effective operations.

**Review of Half Year to 31 December 2009**

Notwithstanding a particularly weak first quarter coupled with the substantial drop in the value of the British Pound against the Australian Dollar, the group achieved an EBIT of \$1.1 million for the half year to 31 December 2009 compared with \$1.2 million achieved during the corresponding period in the prior financial year.

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Hire Intelligence International Limited and its controlled entities

**Directors' report**

For the half year ended 31 December 2009

HII listed on the ASX in January 2002. Its full year results from 1 July 2002 are reflected in the table below.

<i>In thousands of AUD</i>	AGAAP	AGAAP	AIFRS	AIFRS	AIFRS	AIFRS	AIFRS	Forecast Range	
<b>Financial Years Ending 30</b>								<b>2010</b>	<b>2010</b>
<b>June</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Low</b>	<b>High</b>
Profit/Loss from ordinary activities	(2,234)	(5,258)	1,195	1,813	3,072	2,447	1,265	1,930	2,530
Add back Goodwill amortisation	2,799	6,551							
Add abnormal share & Organisational restructure							803		
Less profit on sale of UK MF		(370)							
Less profit on moving premises					(703)				
<b>Normalised Earnings Before Tax</b>	<b>565</b>	<b>923</b>	<b>1,195</b>	<b>1,813</b>	<b>2,369</b>	<b>2,447</b>	<b>2,068</b>	<b>1,930</b>	<b>2,530</b>
Less interest income	(45)	(128)	(245)	(290)	(493)	(535)	(392)	(30)	(30)
<b>Normalised EBIT</b>	<b>520</b>	<b>795</b>	<b>950</b>	<b>1,523</b>	<b>1,876</b>	<b>1,912</b>	<b>1,676</b>	<b>2,200</b>	
<b>Growth on Prior Year</b>		<b>53.8%</b>	<b>19.5%</b>	<b>60.3%</b>	<b>23.2%</b>	<b>1.9%</b>	<b>(12.3%)</b>	<b>31.3%</b>	

The table demonstrates that HII is showing a continuing upward normalised profit trend whether earnings before tax or earnings before interest and tax are used. The midpoint of the FY2010 forecast range has been used to forecast the possible growth over prior year.

Looking forward, profit growth is anticipated coming from several separate areas:

- Organic growth from existing equipment rental operations with the primary focus on company owned outlets
- Increased property rent
- Potential acquisition of commercial property
- Expansion into complimentary areas
- Diversification into new industries

**Directors**

The directors of Hire Intelligence International Limited (HII) at any time during or since the end of the half-year are:

<b>Name</b>	<b>Period of directorship</b>
Mr Thomas R. Cage Managing Director & Chairman	Director since September 2001
Mr Keegan T Cage Executive Director	Director since 1 December 2005
Mr Jason F Cage Non-Executive Director	Director since 19 December 2005

**Rounding off**

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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Hire Intelligence International Limited and its controlled entities

**Directors' report**

For the half year ended 31 December 2009

**Auditors' Independence Declaration**

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Dated at Perth, this 24<sup>th</sup> day of February 2010

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to read 'T. Crage', is written over a light grey rectangular background.

**Thomas R. Crage**  
Director

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24 February 2010

The Directors  
Hire Intelligence International Ltd  
PO Box 441  
WEMBLEY WA 6913

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF HIRE INTELLIGENCE INTERNATIONAL LIMITED**

As lead auditor of Hire Intelligence International Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Hire Intelligence International Limited and the entity it controlled during the period.



**Chris Burton**  
Director



**BDO Audit (WA) Pty Ltd**

Perth, Western Australia

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Hire Intelligence International Limited and its controlled entities  
**Consolidated statement of comprehensive income**  
As at 31 December 2009

	Note	Consolidated	
		2009 \$'000	2008 \$'000
<b>Continuing Operations</b>			
Revenue from continuing operations		5,295	6,276
Cost of sales		(1,385)	(1,458)
Gross profit		3,910	4,818
Distribution expenses		(195)	(254)
Marketing expenses		(266)	(428)
Occupancy expenses		(363)	(335)
Administrative expenses		(2,014)	(2,641)
Amortisation of trademarks		(2)	-
<b>Results from operating activities</b>		<b>1,070</b>	<b>1,160</b>
Financial income		97	243
Financial expenses		(14)	(1)
<b>Net financial income</b>		<b>83</b>	<b>242</b>
<b>Profit before income tax expense from continuing operations</b>		<b>1,153</b>	<b>1,402</b>
Income tax expense	4	(381)	(421)
<b>Total profit for the half year attributable to members of Hire Intelligence International Limited</b>		<b>772</b>	<b>981</b>
<b>Other Comprehensive Income</b>			
Foreign currency translation differences for foreign operations		(244)	23
<b>Total profit and comprehensive income for the half year attributable to members of Hire Intelligence International Limited</b>		<b>528</b>	<b>1004</b>
Basic earnings per share:			
Ordinary shares (cents per share)	10	1.00	1.27
Diluted earnings per share		N/A	N/A

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 11 to 19.

Hire Intelligence International Limited and its controlled entities

**Consolidated statement of financial position**

For the half year ended 31 December 2009

	Note	Consolidated	
		31 December	30 June
		2009	2009
		\$'000	\$'000
<b>Current assets</b>			
Cash and cash equivalents		1,269	6,794
Trade and other receivables		1,089	1,127
Inventories		99	118
Other assets		169	161
<b>Total current assets</b>		<b>2,626</b>	<b>8,200</b>
<b>Non-current assets</b>			
Available for sale financial assets		-	11
Trade and other receivables		124	181
Investment Property	5	7,896	-
Property, plant and equipment	6	2,966	3,350
Intangible assets		3,711	3,713
Deferred tax assets		270	410
<b>Total non-current assets</b>		<b>14,967</b>	<b>7,665</b>
<b>Total assets</b>		<b>17,593</b>	<b>15,865</b>
<b>Current liabilities</b>			
Trade and other payables		990	892
Income tax payable		123	94
Employee benefits		146	140
Provisions		56	839
Deferred income		211	300
Other liabilities		(21)	-
<b>Total current liabilities</b>		<b>1,505</b>	<b>2,265</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities	7	2,000	-
Deferred income		123	180
Employee benefits		166	149
<b>Total non-current liabilities</b>		<b>2,289</b>	<b>329</b>
<b>Total liabilities</b>		<b>3,794</b>	<b>2,594</b>
<b>Net assets</b>		<b>13,799</b>	<b>13,271</b>
<b>Equity</b>			
Contributed equity		37,729	37,729
Reserves		(770)	(526)
Accumulated losses		(23,160)	(23,932)
<b>Total equity</b>		<b>13,799</b>	<b>13,271</b>

The statement of financial position should be read in conjunction with the notes to the financial statements set out on pages 11 to 19.

Hire Intelligence International Limited and its controlled entities

**Consolidated statement of cash flows**

For the half year ended 31 December 2009

	Consolidated	
	31 Dec 2009	31 Dec 2008
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Cash receipts in the course of operations	5,474	7,305
Cash payments in the course of operations	(4,013)	(5,306)
Interest received	97	243
Borrowing costs paid	(14)	(1)
Other revenue	73	-
Income taxes paid	(213)	(289)
<b>Net cash provided by operating activities</b>	<b>1,404</b>	<b>1,952</b>
<b>Cash flows from investing activities</b>		
Proceeds on disposal of non-current assets	213	9
Payments for brand names, trademarks and other intangibles	-	(8)
Payments for investment property	(7,896)	
Payments for property, plant and equipment	(479)	(1,138)
<b>Net cash used in investing activities</b>	<b>(8,162)</b>	<b>(1,137)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(767)	(1,536)
Proceeds from borrowings	2,000	-
<b>Net cash used in financing activities</b>	<b>1,233</b>	<b>(1,536)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(5,525)</b>	<b>(721)</b>
Cash at the beginning of the financial period	6,794	7,284
<b>Cash at the end of the financial period</b>	<b>1,269</b>	<b>6,563</b>

The statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 11 to 19.

Hire Intelligence International Limited and its controlled entities

**Consolidated statement of changes in equity**

For the half year ended 31 December 2009

**31 December 2008**

<b>Consolidated</b>	<b>Share capital \$000's</b>	<b>Translation reserve \$000's</b>	<b>Revaluation reserve \$000's</b>	<b>Retained earnings \$000's</b>	<b>Total \$000's</b>
Balance at 1 July 2008	37,729	(491)	-	(24,128)	<b>13,110</b>
Foreign exchange differences	-	23	-	-	<b>23</b>
Revaluations	-	-	(437)	-	<b>(437)</b>
Net income recognised directly in equity	-	-	-	-	-
Total net recognised income and expense for the period	-	-	-	981	<b>981</b>
Balance at 31 December 2008	<b>37,729</b>	<b>(468)</b>	<b>(437)</b>	<b>(23,147)</b>	<b>13,677</b>

**31 December 2009**

<b>Consolidated</b>	<b>Share capital \$000's</b>	<b>Translation reserve \$000's</b>	<b>Revaluation reserve \$000's</b>	<b>Retained earnings \$000's</b>	<b>Total \$000's</b>
Balance at 1 July 2009	37,729	(526)	-	(23,932)	<b>13,271</b>
Foreign exchange differences	-	(244)	-	-	<b>(244)</b>
Net income recognised directly in equity	-	-	-	-	-
Total net recognised income and expense for the period	-	-	-	772	<b>772</b>
Balance at 31 December 2009	<b>37,729</b>	<b>(770)</b>	-	<b>(23,160)</b>	<b>13,799</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements set out on pages 11 to 19.

Hire Intelligence International Limited and its controlled entities

**Notes to consolidated financial statements**

For the half year ended 31 December 2009

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**Notes to consolidated financial statements**

For the half year ended 31 December 2009

**1. SIGNIFICANT ACCOUNTING POLICIES**

These general purpose financial statements for the half-year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in an annual financial report. The accounting policies applied by the Group in this consolidated half-year financial statements are the same as those applied in its consolidated financial report as at and for the year ended 30 June 2009. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Hire Intelligence International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied, unless otherwise stated

**a) Basis of Preparation**

The financial statements are presented in Australian dollars.

These half-year general purpose financial statements have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

**Compliance with International Financial Reporting Standards (IFRS)**

Australian Accounting Standards include Australian equivalents to IFRS. Compliance with AIFRS ensures that the consolidated financial statements and notes Hire Intelligence International Ltd comply with IFRS.

**Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available for sale financial assets, certain classes of property, plant, and equipment.

**Investment property**

Investment property is currently carried at cost.

**Critical accounting estimates**

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. In particular, its assessment of impairment and the assumptions in the Group's value in use calculations for growth rates of cash generating units of 2.5% and the discount rate of 13%. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

**Accounting Standards not Previously Applied**

The company has adopted the following new and revised Australian Accounting Standards issued by the AASB which are mandatory to apply to the current interim period. Disclosures required by these Standards that are deemed material have been included in these financial statements on the basis that they represent a significant change in information from that previously made available.

Hire Intelligence International Limited and its controlled entities

**Notes to consolidated financial statements**

For the half year ended 31 December 2009

*Presentation of Financial Statements*

AASB 101 prescribes the contents and structure of the financial statements. Changes reflected in this financial report include:

- the replacement of Income Statement with Statement of Comprehensive Income. Items of income and expense not recognised in profit or loss are now disclosed as components of 'other comprehensive income';
- the adoption of the separate income statement/single statement approach to the presentation of the Statement of Comprehensive Income;
- other financial statements are renamed in accordance with the Standard; and
- presentation of a third Statement of Financial Position as at the beginning of a comparative financial year where relevant amounts have been affected by a retrospective change in accounting policy or material reclassification of items.

*Operating Segments*

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Company's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Statement of Comprehensive Income and Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included where applicable.

As a result of the adoption of the revised AASB 8, certain cash generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

**b) Income tax**

Income tax on the statement of comprehensive income for the periods presented comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:

- i. goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and
- ii. differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at balance date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Hire Intelligence International Limited and its controlled entities

**Notes to consolidated financial statements**

For the half year ended 31 December 2009

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

**c) Operating segments**

*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 Company.

*Segment assets*

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

*Segment liabilities*

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

*Comparative information*

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been restated to conform to the requirements of the Standard.

Hire Intelligence International Limited and its controlled entities

**Notes to consolidated financial statements**

For the half year ended 31 December 2009

**2. OPERATING SEGMENTS**

The consolidated entity comprises the following operating segments:

- IT and AV Equipment Rentals
- Franchising
- Web development
- Property rental

	Computer Equipment Rentals		Franchising		Web Development		Property Rental		Eliminations		Consolidated	
<i>In thousands of AUD</i>	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Revenue</b>	<b>000's</b>	000's	<b>000's</b>	000's	<b>000's</b>	000's	<b>000's</b>	000's	<b>000's</b>	000's	<b>000's</b>	000's
External segment revenue	<b>4,934</b>	5,822	<b>281</b>	366	<b>7</b>	88	<b>73</b>	-	-	-	<b>5,295</b>	6,276
Inter-segment revenue	<b>104</b>	-	<b>196</b>	134	-	-	-	-	<b>(300)</b>	(134)	-	-
Total segment revenue	<b>5,038</b>	5,822	<b>477</b>	500	<b>7</b>	88	<b>73</b>	-	<b>(300)</b>	(134)	<b>5,295</b>	6,276
<b>Total revenue</b>											5,295	6,276
<b>Result</b>												
Segment result	920	1,418	375	333	(105)	(311)	60	-	-	-	1,250	1,440
<b>Unallocated corporate expenses</b>											(97)	(38)
Profit before tax											1,153	1,402
Income tax expense											(381)	(421)
<b>Net profit</b>											772	981

Hire Intelligence International Limited and its controlled entities  
**Notes to consolidated financial statements**  
For the half year ended 31 December 2009

**2. OPERATING SEGMENTS (continued)**

	Computer Equipment Rentals	Franchising	Web Development	Property Rental	Eliminations	Consolidated
<b>Segment assets</b>						
<b>Segment assets as at 30 June 2009</b>	12,117	3,717	31	-	-	15,865
Segment asset increases/ (decreases) for the period:	(5,934)	(223)	(11)	7,896	-	1,728
<b>Segment assets as at 31 December 2009</b>	6,183	3,494	20	7,896	-	17,593
Total assets from continuing operations	6,183	3,494	20	7,896	-	17,593
<b>Segment liabilities</b>						
<b>Segment liabilities as at 30 June 2009</b>	1,105	1,480	9	-	-	2,594
Segment liability increases/ (decreases) for the period:	(579)	(198)	(2)	1,979	-	1,200
<b>Segment liabilities as at 31 December 2009</b>	526	1,282	7	1,979	-	3,794
Total liabilities from continuing operations	526	1,282	7	1,979	-	3,794

Hire Intelligence International Limited and its controlled entities

**Notes to consolidated financial statements**

For the half year ended 31 December 2009

**3. PROFIT FOR THE HALF YEAR**

There were no unusual income or expense items in the current financial reporting period.

**4. INCOME TAXES**

**Current tax**

Current tax expense for the half-year period presented is the expected tax payable on the taxable income for the period, calculated as the estimated average annual effective income tax rate applied to the pre-tax income for the half year.

Current tax for current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset.

**Deferred tax**

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the estimated average annual effective income tax rate for the interim periods presented.

The primary components of the entity's recognised deferred tax assets include temporary differences related to employee benefits, provisions and other items.

Deferred tax expense arises from the origination and reversal of temporary differences, the effects of changes in tax rates and the benefit of tax losses recognised.

	<b>31 December 2009</b>	31 December 2008
	<b>\$000's</b>	\$000's
Current tax	<b>227</b>	346
Deferred tax	<b>140</b>	75
Under/Over Provision for tax	<b>14</b>	-
Income tax expense	<b>381</b>	421

**5. INVESTMENT PROPERTY**

On 2<sup>nd</sup> December 2009 Hire Intelligence International Limited acquired ownership of land and building at 23 Barrack St Perth WA 6000 for \$7.5 million plus acquisition costs of \$396K. The building has a net lettable area of 1,206 square metres and has a strong rental yield. The property was purchased through a combination of cash reserves of \$5.916m and debt financing of \$2.0 million.

**6. PROPERTY, PLANT AND EQUIPMENT**

	<b>31 December 2009</b>	30 June 2009
	<b>\$000's</b>	\$000's
Leasehold Improvements	<b>119</b>	147
Plant and equipment	<b>2,847</b>	3,203
	<b>2,966</b>	3,350

Hire Intelligence International Limited and its controlled entities

**Notes to consolidated financial statements**

For the half year ended 31 December 2009

**7. INTEREST BEARING LIABILITIES**

	<b>31 December 2009</b>	30 June 2009
	<b>\$000's</b>	\$000's
Variable rate facility	<b>2,000</b>	-

The variable rate facility was used to purchase the land and buildings at 23 Barrack St Perth WA 6000 refer note 5 for further details. Total borrowing facilities available to the group amount to \$2.425m (including the variable rate facility of \$2m used to purchase the property at 23 Barrack St Perth WA 6000).

**8. CAPITAL AND RESERVES**

<b>Share capital</b>	<b>31 December 2009</b>	30 June 2009
	<b>\$000's</b>	\$000's
	<b>37,729</b>	37,729

**Issued and paid-up capital**

77,032,958 (June 2009: 77,032,958) fully paid ordinary shares

**Dividends**

No dividends have been declared by the entity after the half year ended 31 December 2009. A fully franked 1.0 cent dividend of \$770,329 was paid for by the consolidated entity during the half year ended 31 December 2009.

**9. CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting date.

**10. EARNINGS PER SHARE**

**Basic earnings per share**

The calculation of basic earnings per share for the six months ended 31 December 2009 was based on the profit attributable to ordinary shareholders of \$772,000 (six months ended 31 December 2008: \$981,000) and a weighted average number of ordinary shares outstanding during the six months ended 31 December 2009 of 77,032,958 (six months ended 31 December 2008: 77,032,958). There are no dilutive potential ordinary shares.

**11. POST BALANCE DATE EVENTS**

On 7<sup>th</sup> January 2010 Hire Intelligence International Limited repaid \$1.05m of the \$2m loan used to purchase the land and building at 23 Barrack St Perth WA 6000.

The Adelaide franchised outlet was converted to a company owned outlet post balance date and Hire Intelligence International Limited began operating the Adelaide outlet on 11<sup>th</sup> January 2010.

HII acquired the Hire Intelligence Bristol and Hire Intelligence East London franchises both of which are now being managed from its Central London branch. Effective March 2010, HII will commence operating the former Hire Intelligence Auckland franchise as a company owned branch. The United Kingdom Master Franchise and the Southampton and Guildford franchises have been terminated following contractual breaches.

The Hire Intelligence franchisor, Cityside Asset, will service the UK franchises from both Perth and the Central London offices while HII's Central London outlet will absorb customers from the acquired franchise territories.

Hire Intelligence International Limited and its controlled entities

**Notes to consolidated financial statements**

For the half year ended 31 December 2009

The recession in the UK resulted in the UK Mater Franchisee being placed in voluntary liquidation with A\$50,000 owing to Cityside. This debt is secured by the way of personal guarantees.

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Hire Intelligence International Limited and its controlled entities

**Directors' declaration**


For the half year ended 31 December 2009

In the opinion of the directors of Hire Intelligence International Limited ("the company"):

1. the financial statements and notes set out on pages 7 to 19, are in accordance with the Corporations Act 2001 including:
  - a. giving a true and fair view of the financial position of the consolidated entity as at 31 December 2009 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - b. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated Perth this 24<sup>th</sup> day of February 2010

Signed in accordance with a resolution of the directors:



**Tom Craze**  
*Managing Director*

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## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF HIRE INTELLIGENCE INTERNATIONAL LIMITED

### Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Hire Intelligence International Limited for the year ended 31 December 2009 included on Hire Intelligence International Limited's web site. The disclosing entity's directors are responsible for the integrity of Hire Intelligence International Limited's web site. We have not been engaged to report on the integrity of Hire Intelligence International Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hire Intelligence International Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement that the half-year report has been prepared in accordance with AASB 134, *Interim Financial Reporting*, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity 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 disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 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 Interim and Other Financial Reports 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 2009 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 Hire Intelligence International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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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 confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

### 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 Hire Intelligence International 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 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

**BDO Audit (WA) Pty Ltd**

BDO Audit  


**Chris Burton**  
Director

Signed at Perth this Wednesday the 24<sup>th</sup> of February 2010

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