Enprise™

ENPRISE GROUP LIMITED AND SUBSIDIARIES
FINANCIAL STATEMENTS
MARCH 2015

Contents

Directors' Report

The Directors are pleased to submit to shareholders their report and financial statements for the year ended 31 March 2015.

Principal Activities

Enprise Group Limited currently has 3 operating divisions;

- Enprise Solutions is a solution provider for MYOB Exo software in Australia and New Zealand.
- Enprise Software is a Software Solution Provider for SAP Business One, developing and selling add on software through the SAP Business One channel globally.
- Datagate Innovation is an early stage business that provides, online reporting and billing portals for resellers of Telco and Utility services and hosted service providers under Software-as-a-service (SaaS) model.

Significant Changes in the State of Affairs

Enprise sold its 33.33% equity stake in cloud software provider, 2Cloud.biz Limited on 1st May 2014. The company acquired 100% equity stake in Datagate Innovation Limited to the value of $120,000 on 1st April 2014 and acquired the MYOB Exo customer base of Global Bizpro on 1st February 2015 to a maximum value of $750,000.

Directors

Mr Mark Loveys was appointed to the Board on 30 September 2004
Mr Jens Neiser was appointed to the Board on 1 July 2006
Mr Lindsay Phillips was appointed to the Board on 1 December 2013
Mr George Cooper was appointed to the Board on 10 April 2012
Mr Gary Christieson resigned on 1 May 2014

Remuneration of Directors

The remuneration of the Directors for the year ended 31 March 2015 has been disclosed in Note 21 of this Report.

	Group	
	2015	2014
	$000	$000
Salaries, bonuses and commissions	**352**	451
Other benefits	**5**	14
Directors fees	**65**	65
Total compensation	**422**	530
Gary Christieson	57	167
Mark Loveys	150	148
George Cooper	150	150
Jens Neiser	25	25
Lindsay Phillips	40	40
	422	530

- Gary Christieson was a director of Enprise Australia Pty Limited until he resigned on 1 May 2014

Rounding of amounts

Amounts in the directors' report and financial statement have been rounded off to the nearest thousand dollars.

Review of Operations and Outlook

Enprise Group is leveraging its position as the only MYOB EXO reseller with offices in both New Zealand and Australia, to target trans-Tasman businesses. Enprise Group acquired the second largest reseller of MYOB Exo products in New Zealand on 1st February 2015. It is expanding its software operations into other global regions. Enprise Group invested in Datagate during the year, the first two sites went live at the end of March 2015. Enprise Group is actively exploring other opportunities in the SME software market.

Donations

Enprise Group made donations during the year of $870 (2014: $652).

Directors Interests

	Number of Shares	Loan
Lindsay Phillips	1,271,108	336,349
Jens Neiser	792,024	-
Mark Loveys	1,188,608	100,000
George Cooper	429,923	-

Top 10 Shareholdings

	Holding	%
New Zealand Central Securities Depository Limited	1,237,414	18.22
Net Power Solutions Limited	1,188,608	17.50
Nightingale Partners Pty Ltd	983,774	14.49
George Elliot Cooper	429,923	6.33
Whiteheart Group Limited	276,073	4.06
Bridge2 Limited	200,000	2.94
Ironwood Investments Pty Ltd	196,667	2.90
Sarah May Loveys	144,316	2.12
Donwood Pty Ltd	143,253	2.11
Steffen Lehmann & Cie Gmbh	95,570	1.41

The directors' report is signed for and on behalf of the Board, and was authorised for issue on the date below.

Lindsay Phillips
Chairman
1 July 2015

Mark Loveys
Director
1 July 2015

UHY Haines Norton
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ENPRISE GROUP LIMITED

Report on the Consolidated Financial Statements
We have audited the accompanying consolidated financial statements of Enprise Group Limited and its subsidiaries (the Group) on pages 6 to 37, which comprise the consolidated statements of financial position as at 31 March 2015, the consolidated statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements
The directors are responsible for the preparation of these consolidated financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the consolidated financial statements.

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

Other than in our capacity as auditor, we have no other relationship with, or interests in, Enprise Group Limited or any of its subsidiaries.

Opinion
In our opinion, the consolidated financial statements on pages 6 to 37:

- comply with generally accepted accounting practice in New Zealand;
- comply with the International Financial Reporting Standards; and
- give a true and fair view of the financial position of Enprise Group Limited and its subsidiaries as at 31 March 2015, and their financial performance and cash flows for the year ended on that date.

Restriction on use of Our Report
This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

UHY Haines Norton
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Date: 1/7/15

UHY Haines Norton
Chartered Accountants
Auckland

Statement of Financial Position

As at 31 March 2015

	Note	2015 $000	2014 $000
ASSETS			
Current Assets			
Cash and cash equivalents	11	**379**	665
Trade and other receivables	12	**1,334**	1,189
Related party receivables	12	**-**	5
Term Deposit		**154**	154
Staff receivables		**26**	45
Total Current Assets		**1,893**	2,058
Non-Current Assets			
Investments in equity accounted associate	13	**-**	16
Property, plant and equipment	14	**140**	157
Staff receivables		**12**	32
Intangible assets	15	**3,520**	1,946
Total Non-Current Assets		**3,672**	2,151
TOTAL ASSETS		**5,565**	4,209
LIABILITIES			
Current Liabilities			
Trade and other payables	16	**1,529**	1,492
Related party payables	16	**436**	121
Lock Finance – Loan		**19**	-
Provisions	17	**508**	162
Fit out – Loan		**15**	15
Total Current Liabilities		**2,507**	1,790
Non-Current Liabilities			
Fit out – loan		**64**	72
Total Non-Current Liabilities		**64**	72
TOTAL LIABILITIES		**2,571**	1,862

Statement of Financial Position (Cont)

As at 31 March 2015

	Note	2015 $000	2014 $000
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	18	**2,823**	2,408
Accumulated profit		**171**	(61)
TOTAL EQUITY		**2,994**	2,347
TOTAL EQUITY AND LIABILITIES		**5,565**	4,209

The above statement of financial position should be read in conjunction with the accompanying notes.

For and on behalf of the Board, who authorise the issue of these financial statements on 1 July 2015:

Lindsay Phillips
Chairman
1 July 2015

Mark Loveys
Director
1 July 2015

Statement of Comprehensive Income

For the year ended 31 March 2015

	Note	2015 $000	2014 $000
Continuing operations			
Revenue			
Software and licences		**3,981**	3,921
Services and support		**2,984**	2,646
Other revenue	6	**31**	43
		6,996	6,610
Cost of Goods Sold		**(2,169)**	(2,134)
Advertising and Marketing expense		**(85)**	(84)
Employee benefits expense	7(d)	**(3,303)**	(3,262)
Professional fees	7(b)	**(260)**	(147)
Travel expenses		**(161)**	(215)
Other operating expenses	7(a)	**(574)**	(804)
Finance expense		**(33)**	(24)
Net loss on foreign exchange		**(57)**	(44)
Depreciation & amortisation	7(c)	**(115)**	(123)
Profit / Loss from operations before income tax		**239**	(227)
Share of loss from equity accounted associate, net of tax	13	**(7)**	(4)
Profit / (loss) before tax		**232**	(231)
Income tax expense		**-**	-
Net profit / (loss) for the period		**232**	(231)
Other comprehensive income			
Movement in translation reserve		-	-
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income / (loss) for the period		**232**	(231)
Earnings per share attributable to the ordinary equity holders of the company:	10		
Basic earnings per share		**0.038**	(0.04)
Diluted earnings per share		**0.038**	(0.04)

The above statement of comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 March 2015

	Note	2015 $000	2014 $000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**7,679**	6,997
Payments to suppliers and employees (inclusive of GST)		**(7,449)**	(6,904)
Interest paid		**(33)**	(24)
Interest received		**21**	22
Tax refund / (paid)		**4**	-
Net cash flows used in operating activities	19	**222**	91
Cash flows from investing activities			
Purchase of property, plant and equipment		**(26)**	(21)
Purchase of intangibles		**(783)**	(235)
Loans given to staff		**(47)**	(13)
Loans repaid by staff		**85**	75
Purchase of Global Bizpro		**(250)**	-
Proceeds for sale of associate		**20**	-
Investments in subsidiaries		**(30)**	-
Net cash flows from / (used in) investing activities		**(1,031)**	(194)
Cash flows from financing activities			
Encap Loan		**-**	100
Nightingale Partners Loan		**336**	-
Proceeds from issue of shares		**225**	-
Lock Finance		**19**	-
Insurance loan		**-**	(5)
Net receipts from related parties		**-**	9
Net cash flows from financing activities		**580**	104
Net increase/(decrease) in cash and cash equivalents		**(229)**	1
Net foreign exchange differences		**(57)**	(44)
Cash and cash equivalents at beginning of period		**665**	708
Cash and cash equivalents at end of period	11	**379**	665

The above statement cash flows should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

			2014
Group	**Share capital $000**	**Retained earnings $000**	**Total equity $000**
Balance at 1 April 2013	2,408	170	**2,578**
Net profit / (loss) for the period	-	(231)	**(231)**
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the period	-	(231)	**(231)**
Transactions with owners, recorded directly in equity			
Balance at 31 March 2014	2,408	(61)	**2,347**

			2015
Group	**Share capital $000**	**Retained earnings $000**	**Total equity $000**
Balance at 1 April 2014	2,408	(61)	**2,347**
Net profit / (loss) for the period	-	232	**232**
New Share Issues – Datagate	90	-	**90**
New Share Issues - Staff	47	-	**47**
New Share Issues – Global Bizpro	100	-	**100**
New Share Issues - Share Plan	178	-	**178**
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Transactions with owners, recorded directly in equity			
Balance at 31 March 2015	2,823	171	**2,994**

Notes to the Financial Statements

For the year ended 31 March 2015

1 Corporate information

The financial statements of Enprise Group Limited ("the Group") for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the directors on 30 June 2015.

The financial statements represented are those for the Enprise Group Limited. In previous annual financial statements the Company has reported the financial activities of both the Parent (as a separate reporting entity) and Group within the annual report. This year due to changes in regulatory requirements the disclosure of the Parent activities is no longer mandatory, the Company has therefore taken the option of presenting Group financial activities only.

Enprise Group Limited is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the New Zealand Alternative Market (NZAX).

The nature of the operations and principal activities of the Group are described in the Directors' Report section of this annual report.

2 Summary of significant accounting policies

Table of Contents

(a) Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair value of the consideration given in exchange for assets. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000) unless otherwise stated.

(b) Changes in accounting policies

There have been no changes in accounting policies and cost allocation policies since the date of the last audited financial statements. All policies have been applied on a basis consistent with the previous year.

(c) Statement of Compliance

Enprise Group Limited is a FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 and its financial statements comply with these acts. The company is listed on the New Zealand Stock Exchange Alternate Market.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), as appropriate for profit-oriented entities. They also comply with International financial reporting standards ("IFRS").

(d) New accounting standards and interpretations

Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ending 31 March 2015. These are outlined in the table below.

Reference	Title	Summary of requirements	Effective date – periods beginning on or after	Impact on Group financial report	Application date for Group*
NZ IFRS 9	Financial Instruments: Classification and Measurement	Requires all financial assets to be: (a) Classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. (b) Initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs (c) Subsequently measured at amortised cost or fair value.	1 January 2018	Application of a consistent approach to classifying financial assets, and the use of one impairment method.	1 April 2018
NZ IFRS 14	Regulatory Deferral Accounts	The objective of IFRS 14 to specify the financial reporting requirements for regulatory deferral account balances that arise when an entity provides good and services to customers at a price or rate that is subject to rate regulation. It also requires that the effect of recognising the deferred account balances that arise from rate regulation must be presented separately from other items.	1 January 2016	This standard will have no impact on the Group financial statements	1 April 2016
NZ IFRS 15	Revenue from Contracts with Customers	The core principle of the Standard is to recognise revenue for the amount of consideration due to an entity in exchange for goods and services provided to the customer. This is done following a 5 step process: (1) Identify the contract with the customer (2) Identify the performance obligations in the contract (3) Determine the transaction price (4) Allocate the transaction price to the	1 January 2017	Management is still conducting further analysis of the impact of this new standard.	1 April 2017

performance obligations in the contract and

(5) Recognise revenue when (or as) the entity satisfies a performance obligation by transferring control of an asset to a customer. This may be at a point in time or over time.

(e) Basis of consolidation

The consolidated financial statements ("the Group") of Enprise Group Limited comprise the financial statements of the parent and its subsidiaries (as outlined in note 5) as at 31 March each year.

Subsidiaries are all those entities over which the Parent has the power to govern, the financial and operating policies so as to obtain benefits from their activities. Control is obtained when the Company has power over the investee, is exposed to or has rights to variable returns from its investment, and has the ability to use its power to affect returns.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values. The difference between the above items and the fair value of the consideration is goodwill.

(f) Investment in subsidiaries

Subsidiary	Percentage Held	Balance Date
Datasquirt (Australia) Pty Limited	100%	31 March
Enprise Australia Pty Limited	100%	31 March
Enprise Solutions Limited	100%	31 March
Enprise Limited	100%	31 March
Datagate Innovation Limited	100%	31 March
GlobalBizpro Limited	100%	31 March

Investments in subsidiaries are initially measured at cost, and then following initial recognition, is measured at cost, less any impairment losses.

Every year the directors will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

If the ownership interest in a subsidiary changes during the year that does not result in the loss of control, an entity shall disclose a schedule showing the effects of that change in ownership on the equity attributable to the owners of the parent.

If control of a subsidiary is lost, the group shall disclose the gain or loss, if any, recognised, and the portion of that gain or loss attributable to recognising any investment retained in the former subsidiary at its fair value at the date when control is lost, and the line item(s) in the Statement of Comprehensive Income in which the gain or loss is recognised, if not presented separately in the Statement of Comprehensive Income.

(g) Investment in equity accounted associates – refer note 13

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 percent and 50 percent of the voting power of another entity.

Investment in Associates is accounted for under the equity method and is recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity accounted associate, the carrying amount of the investment, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Parent has an obligation or has made payments on behalf of the associate.

(h) Segment reporting – refer note 5

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other operating business segments. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

(i) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of Enprise Group Limited is New Zealand dollars ($). The subsidiaries' and associate's functional currency is the local currency which is translated to presentation currency (see below).

(ii) Transactions & balances

Subsidiary	Local Currency	Presentation Currency
Datasquirt (Australia) Pty Limited	Australian dollars ($)	New Zealand dollars ($)
Enprise Australia Pty Limited	Australian dollars ($)	New Zealand dollars ($)
Enprise Solutions Limited	New Zealand dollars ($)	New Zealand dollars ($)
Enprise Limited	New Zealand dollars ($)	New Zealand dollars ($)
Datagate Innovation Limited	New Zealand dollars ($)	New Zealand dollars ($)
GlobalBizpro Limited	New Zealand dollars ($)	New Zealand dollars ($)

Associate	Local Currency	Presentation Currency
2Cloud.Biz Limited	New Zealand dollars ($)	New Zealand dollars ($)

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(iii) Translation of Group Companies functional currency to presentation currency

The results of the subsidiaries are translated into New Zealand dollars as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date. Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

(j) Cash and cash equivalents – refer note 11

Cash and cash equivalents in the statement of financial position comprise of cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(k) Trade and other receivables – refer note 12

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 90 days overdue are considered objective evidence of impairment.

(l) Property, plant and equipment – refer note 14

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. The cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in statement of comprehensive income as incurred.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the specific assets:

Computer equipment – 20% to 50%
Office furniture and equipment – 10% to 50%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

(m) Leases – refer note 22

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(n) Intangibles – refer note 15

Goodwill
Goodwill that arises on the acquisition of subsidiaries are initially measured at cost of the business combination, being the excess of the consideration transferred over the fair value of the Subsidiaries' net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at the amount recognised at acquisition date less any accumulated impairment losses.

Other intangible assets
Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. See note 15.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated intangible assets, is recognised in the statement of comprehensive income as incurred.

Except for goodwill, intangible assets are amortised on a straight-line basis in the statement of comprehensive income over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- Software licenses 3-5 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Research and development costs
Research costs are expensed as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development expenditure is measured at cost less accumulated depreciation and accumulated impairment losses.

(o) Trade and other payables – refer note 16

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these services. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provisions and employee benefits – refer note 17

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

Employee leave benefits

Wages, salaries, annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(q) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Revenue includes sales of software licenses, software implementation and support services.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The stage of completion of the transaction at the balance date can be measured reliably; and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably

The revenue from the sale of third party software is recognised at the time of sale. Revenue from in-house developed software is recognised on acceptance by the client.

The revenue from the maintenance on software developed by the Group is recognised in the period that the maintenance applies.

Contract income, which includes license fees, hosting fees and transaction fees, is recognised in the income statement in the accounting period in which the service is rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided.

Contract revenue is also recognised under the percentage of completion method. A percentage of the revenue is recognised in the accounting period in which the services are rendered. The stage of completion is assessed by reference to surveys of work performed and delivered. When the outcome of an implementation and provisioning contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

When the contract outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Interest revenue

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

(iii) Rental income

Rental income is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the rental income, over the term of the lease.

(r) Income tax and other taxes – refer note 8

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

On the basis that deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the carry-forward of unused tax credits and unused tax losses can be utilised, the Group has taken the conservative position that there is not sufficient certainty to justify the recognition of a deferred income tax asset at this time.

Temporary differences have not been recognised as a deferred tax asset because Enprise Group Limited is likely to continue to raise additional share capital in future years. This is likely to result in the forfeiture of Tax Losses due to loss of shareholder continuity.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

i. when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
ii. receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and including the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(s) Earnings per share – refer note 10

Basic earnings per share is calculated as net profit attributable to members of the parent, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, divided by the weighted number of ordinary shares and dilutive potential ordinary shares.

(t) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities are assigned to those units. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. The Group performs its impairment testing as at 31 March each year using the discounted cash flows method based on expected future revenue. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Key assumptions used in determining the future cash flows from each segment over the next 5 years with a terminal value.

Datagate growth rate is assumed at 100% over the next 5 years due to it being a new product that was developed during the 2015 financial period and not actively marketed, this has changed in the 2016 financial period and the sales activity ramped-up. It is coming off a low base so on a percentage basis it is a large increase but it is not in dollar terms in the short term. It is the intention of management to expand the market for the Datagate product to international markets through the global channels used in the other CGU's.
Enprise Software is assumed to have a greater growth rate than has been achieved in the 2015 financial period due to a shift in new product being purchased on a subscription rather than an up-front license purchase and the launch of new products such as "Enprise Anywhere".

31 March 2015	Growth Rate	Discount Rate
Enprise Services – New Zealand	5%	20%
Enprise Services – Australia	10%	20%
Enprise Software	17%	20%
Datagate	100%	20%

31 March 2014	Growth Rate	Discount Rate
Enprise Services – New Zealand	5%	20%
Enprise Services – Australia	10%	20%
Enprise Software	10%	20%

(u) Contributed equity – refer note 18

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Financial risk management objectives and policies

The Group's principal financial instruments comprise receivables, payables, and cash and short-term deposits.

The Group manages its exposure to key financial risks, including interest rate, liquidity risk and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Board reviews and agrees policies for managing each of the risks identified below, foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

Risk exposures and responses

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash deposited in interest-bearing call accounts. Interest rates are monitored although there is generally no significant variation in interest rates offered by the different major banks.

The local operational bank accounts do not earn interest.

At 31 March 2015, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2015 $000	2014 $000	**2015 $000**	2014 $000
Group				
+1% (100 basis points)	**11**	**9**	**11**	**9**
- 1% (100 basis points)	**(11)**	**(9)**	**(11)**	**(9)**

Credit risk

Credit risk arises from the financial assets of the Group, being trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2015 $000	2014 $000
Loans and receivables	1,372	1,271
Cash and cash equivalents	379	665
Term deposits	154	154
Total	**1,905**	**2,090**

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitize its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The only significant concentration of credit risk within the Group exists in relation to cash and cash equivalents, the majority being held with two major trading banks.

Foreign currency risk

Each entity in the Group conducts the majority of its transactions in its functional currency.

The currency exposure of the Group arises from the effect of any substantial movements in currency rates on the transfer of funds (the large proportion being in Australian dollars) to the local currency of the subsidiary to fund operations.

The net exposure is not significant due to the size of the foreign operations, and is mitigated by the regular transfer of small advances to spread the currency risk over time. Although each subsidiary or geographic segment is subject to variations in foreign currency rates, each segment is not material. Refer to note 5 on segment reporting.

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	2015	2014
In thousands on Australian Dollars	**$000**	$000
Cash and cash equivalents	53	187
Trade and other receivables	207	359
Trade and other payables	(208)	(434)
Net statement of financial position exposure	52	112

The following significant exchange rates applied during the year:

	Average rate		**Reporting date spot rate**	
	2015	2014	**2015**	2014
Australian Dollars	**0.9274**	0.8851	**0.9821**	0.9354

At 31 March 2015, if exchange rates had moved with all other variables held constant, the impact to the post tax profit and equity would not be material.

Liquidity risk

Liquidity risk represents the Group's ability to meet its financial obligations on time. The Group's cash flow enables it to make timely payments. The Management evaluates the Group's liquidity requirements on an ongoing basis. The following tables set out the contractual cash flows for all financial liabilities:

Group – 2015

In thousands on New Zealand Dollars	**Carrying amount**	**Contractual cash flow**	**6 months or less**	**6 – 12 months**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Trade and other payables	1,529	1,529	1,529		-	-	-
Related party payables	436	436	112	324			
Lock Finance Facility	19	19	19				
Fit out – loan	79	79	8	7	14	42	8
Total	**2,063**	**2,063**	**1,668**	**331**	**14**	**42**	**8**

Group – 2014

In thousands on New Zealand Dollars	**Carrying amount**	**Contractual cash flow**	**6 months or less**	**6 – 12 months**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Trade and other payables	1,492	1492	1,362	130	-	-	-
Related party payables	121	121	121				
Fit out – loan	87	87	8	7	14	42	16
Total	**1,700**	**1,700**	**1,491**	**137**	**14**	**42**	**16**

Financial assets

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and held to maturity investments. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at the initial recognition and re-evaluates this designation at every reporting date.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through the profit and loss.

Financial assets at fair value through profit and loss

Assets in this category are classified as current assets if they are expected to be realised within 12 months of the reporting date.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

The Group's loans and receivables comprise receivables and cash and cash equivalents. Interest income is recognised by applying the effective interest rate.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Financial assets measurement

Loans and receivables and held to maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the profit or loss in the period in which they arise.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

4 Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the bases of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Impairment of non-financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include a subsidiary's financial performance, as well as the technology, economic and political environments and future market expectations. If an impairment trigger exists the recoverable amount of the asset is determined. Management have considered whether assets have in fact been impaired, and have determined that all assets are fully recoverable.
Management has estimated and considered the future cash generating capabilities of the internally developed software. On the basis of that consideration has considered it reasonable on the basis of those assessments to capitalise the expenditure incurred in creating those intangible assets. The Datagate software has a substantial growth rate of 100% on the basis that it is a new product and is coming off a very small revenue base in the 2015 financial year. Most of the resources during the 2015 financial year have been devoted to product development. The first 6 sites signed during the year have been used for product development and testing.

5 Segment information

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The geographic segments are described in the table below:

Legal Entity	**Location**	**Geographic region**
Enprise Group Limited *(Parent)*	New Zealand	New Zealand
Enprise Solutions Limited	New Zealand	New Zealand and Worldwide
Enprise Australia Pty Limited	Australia	Australia
Datasquirt (Australia) Pty Limited *(Non-Trading)*	Australia	Australia
Enprise Limited *(Non-Trading)*	New Zealand	New Zealand
Global Bizpro Limited *(Non-Trading)*	New Zealand	New Zealand
2Cloud.Biz Limited	New Zealand	New Zealand
Datagate Innovation Limited	New Zealand	New Zealand

Geographic segments

The following table presents revenue, profit, and certain asset information regarding the subsidiaries' performance for the year.

Year ended 31 March 2015	**New Zealand $000**	**Australia $000**	**Asia $000**	**North America $000**	**EMEA $000**	**TOTAL $000**
Revenue	4,711	1,701	39	352	162	6,965
Other income	10	-	-	-	-	10
Total segment revenue	4,721	1,701	39	352	162	6,975
Inter-segment elimination	-	-	-	-	-	-
Total group revenue	4,721	1,701	39	352	162	6,975
Total foreign sourced revenue						
Interest received	18	3	-	-	-	21
Inter-segment elimination	-	-	-	-	-	-
Total group interest received	18	3	-	-	-	21
Share of loss from equity accounted associate	(7)	-	-	-	-	(7)
Net profit / (loss)						
Inter-segment elimination	-	-	-	-	-	-
Total group profit / (loss)	128	104	-	-	-	232
Depreciation & amortisation	115	-				115
Capital expenditure	809	-				809
Segment assets – current	2,406	323				2,729
Investments in equity accounted associate	-	-				-
Segment assets – other non-current	3,529	143				3,672
Inter-segment elimination	(773)	(63)				(836)
Total group assets	5,162	403				5,565
Liabilities	2,426	981				3,407
Inter-segment elimination	(63)	(773)				(836)
Total group liabilities	2,363	208				2,571

5 Segment information (Cont)

Year ended 31 March 2014	**New Zealand $000**	**Australia $000**	**Asia $000**	**North America $000**	**EMEA $000**	**TOTAL $000**
Revenue	3,623	2,350	44	364	186	6,567
Other income	21		-	-	-	21
Total segment revenue	3,644	2,350	44	364	186	6,588
Inter-segment elimination	-	-	-	-	-	-
Total group revenue	3,644	2,350	44	364	186	6,588
Total foreign sourced revenue						2,944
Interest received	21	1	-	-	-	22
Inter-segment elimination	-	-	-	-	-	-
Total group interest received	21	1	-	-	-	22
Share of loss from equity accounted associate	(4)	-	-	-	-	(4)
Net profit	101	(332)	-	-	-	(227)
Inter-segment elimination						-
Total group loss	97	(332)	-	-	-	(231)
Depreciation & amortisation	123	-	-	-	-	123
Capital expenditure	267	-	-	-	-	267
Segment assets – current	2,263	625	-	-	-	2,888
Investments in equity accounted associate	16	-	-	-	-	16
Segment assets – other non-current	1,985	150	-	-	-	2,135
Inter-segment elimination	(790)	(40)				(830)
Total group assets	3,474	735				4,209
Liabilities	1,438	1,254	-	-	-	2,692
Inter-segment elimination	(40)	(790)				(830)
Total group liabilities	1,398	464				1,862

*EMEA (Europe, Middle East and Africa)

	Enprise Services	Enprise Software	Datagate	Corporate	Total
31 March 2015					
Revenue	6,227	658	80	-	6,965
Other income	-	-	-	10	10
Total segment revenue	6,227	658	80	10	6975
Interest received	8	-	-	13	21
Total group revenue	6,235	658	80	23	6,996
Share of loss from equity accounted associate	-	-	-	(7)	(7)
Net profit / (Loss)	1,182	68	15	(1,033)	232
31 March 2014					
Revenue	5,836	731	-	-	6,567
Other income	-	-	-	21	21
Total segment revenue	5,836	731	-	21	6,588
Interest received	4	-	-	18	22
Total group revenue	5,840	731	-	39	6,610
			-	(4)	(4)
Net profit / (Loss)	581	83	-	(895)	(231)

Assets and liabilities are not reported by segment to the chief executive officer. They are reported on a consolidated group basis.

6 Other revenue

	2015 $000	2014 $000
Interest income	**21**	22
Rent income	**10**	21
	31	43

7 Expenses

	2015 $000	2014 $000
(a) Other operating expenses		
Communications	**78**	84
Premises (operating lease)	**206**	204
Sub-Contractors	**24**	331
Other	**266**	185
	574	804
(b) Professional fees		
Directors fees	**65**	65
Accountancy	**19**	3
Auditor's remuneration (See note 26)	**77**	78
Legal	**99**	1
	260	147
(c) Depreciation and amortisation		
Depreciation	**43**	44
Amortisation	**72**	79
	115	123
(d) Employee benefits expense		
Wages and salaries	**3,243**	3,154
Superannuation	**60**	108
	3,303	3,262

Legal fees include $76,323 for changing the stock exchange to the NZAX from the NSXA.

8 Income tax

	2015 $000	2014 $000
(a) Income tax expense		
Statement of comprehensive income		
Current income tax	-	-
(b) Reconciliation between tax at statutory rate and tax expense in the statement of comprehensive income		
Profit (Loss) before tax	**232**	(231)
Parent and Subsidiaries Prof (Loss) taxed at 28%	**183**	113
Consolidation adjustment taxed at 10%	**(55)**	(12)
Australian Subsidiary Profit (Loss) taxed at 30%	**104**	(332)
	232	(231)
Statutory tax at 15% to 35% thereon	**83**	(68)
Temporary Differences	**(37)**	(16)
Non-deductible items	**47**	1
Tax losses (utilised)/ available to be carried forward to future periods not recognised at 28%	**(93)**	3,111
Prior year losses to be carried forward	-	(3,009)
Prior year losses overstated/ (understated)	-	(19)
Income tax expense reported in the statement of comprehensive income	-	-
(c) Unrecognised temporary differences and tax losses		
Unrecognised temporary differences are not material		
Accumulated tax losses	**(10,646)**	(11,062)

The company continues to meet the shareholder continuity requirement to carry forward tax losses. However, the directors do not believe the company meets the level of certainty of recoverability of tax losses required to recognise a deferred taxation asset and hence have not accounted for the asset.

9 Dividends paid and proposed

No dividends have been paid or proposed to date. (2014: nil)

10 Earnings per share

The following reflects the income used in the basic and diluted earnings per share computations:

	2015 $000	2014 $000
(a) Earnings used in calculating earnings per share		
For basic earnings per share:		
Net profit (loss) attributable to ordinary equity holders of the parent	**232**	(231)
For diluted earnings per share:		
Net profit (loss) attributable to ordinary equity holders of the parent (from basic EPS)	**232**	(231)
Net profit (loss) attributable to ordinary equity holders of the parent	**232**	(231)

(b) Weighted average number of shares	**2015 Thousands**	2014 Thousands
Balance as at 1 April	**5,813**	5,813
Issue of ordinary shares – Datagate Innovation Limited	**276**	-
Issue of ordinary shares – Staff	**146**	-
Issue of ordinary shares – Global Bizpro	**200**	-
Issue of ordinary shares – Share Plan	**356**	-
Balance at end of year	**6,791**	5,813
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares	**6,111**	5,813

	2015 Cents per share	**2014 Cents per share**
Basic earnings per share	0.038	(0.04)
The earnings and weighted average number of ordinary issued shares used in the calculation of basic earnings per share are as follows:		
	$000	**$000**
Net Profit / Loss attributable to ordinary equity holders	232	(231)
	No.	No.
Weighted average number of shares for the purpose of basic earnings per share	6,110,775	5,813,449

On 1 April 2014, 276,073 shares were issued to Datagate Innovation Limited. The shares were issued at a price of $0.326 per share.

On 1 December 2014, 146,075 shares were issued to the Staff. The shares were issued at a price of $0.32 per share.

On 1 February 2015, 200,000 shares were issued to Global Bizpro. The shares were issued at a price of $0.50 per share.

10 Earnings per share (Cont)

On 23 March 2015, 356,000 shares were issued pursuant to a share purchase plan offered to eligible shareholders. The shares were issued at a price of $0.50 per share.

There are no instruments (e.g. share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

11 Current assets - cash and cash equivalents

	2015	2014
	$000	$000
Cash at bank and in hand	**379**	665
Short-term deposits	**-**	-
	379	665

12 Current assets - trade and other receivables

	2015	2014
	$000	$000
Trade receivables	**1,330**	1,201
Allowance for impairment loss (a)	**(66)**	(126)
Other receivables	**70**	114
Carrying amount of trade and other receivables	**1,334**	1,189
Related party receivables (b)		
Subsidiaries	-	-
Associate	-	5
	-	5

The loan to 2Cloud.biz Limited was written off upon sale of the Group's 33.33% share on 1 May 2014.

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and are generally on 30-90 day terms. A provision for bad debts is recognised when there is objective evidence that an individual trade receivable is impaired.

Bad debts of $47,627 (2014: $54,020) have been recognised by the Group and bad debts recovery of $69,356 (2014: 4,017) by the Group in the current year. These amounts have been included in other operating expenses item.

Movements in the provision for impairment loss were as follows:

	2015	2014
At 1 April	**(126)**	(117)
Charge for the year	**(9)**	(9)
Amounts Recovered	**69**	-
At 31 March	**(66)**	(126)

12 Current assets - trade and other receivables (Cont)

At 31 March 2015, the aging analysis of trade receivables is as follows:

		Total	0 – 30 days	31 – 60 days	61- 90 days PDNI*	+91 days PDNI*	+91 days CI*
2015	Group	1,330	811	216	47	190	66
2014	Group	1,201	636	184	39	216	126

* Past due not impaired (PDNI) Considered impaired (CI)

(b) Related Party Receivables

For terms and conditions of related party receivables refer to note 20.

(c) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

(d) Foreign exchange and interest risk

For further information on the management of foreign exchange and interest risk refer to Note 3.

13 Non-current assets – investments in equity accounted associate

	2015 $000	2014 $000
Investments in associate (note 21) – at cost	**16**	20
Share of loss	**(7)**	(4)
Sale of share in associate	**(9)**	-
	-	16

The accounted associate is not a publicly listed entity and consequently does not have published price quotation.

The Group obtained significant influence of 2Cloud.biz Limited on 1 November 2012. Enprise sold its 33.33% equity stake in the cloud provider on 1 May 2014.

14 Non-current assets – property, plant and equipment

	Computer equipment $000	Furniture and fittings $000	Office equipment $000	Total $000
Year ended 31 March 2015				
Cost	126	172	92	**390**
Accumulated depreciation and impairment	(101)	(58)	(74)	**(233)**
Carrying value at beginning of the year	25	114	18	**157**
Additions	18	-	8	**26**
Depreciation charge for the year	(16)	(19)	(6)	**(43)**
Carrying value at the end of the year	25	95	20	**140**
At 31 March 2015				
Cost	154	171	84	**409**
Accumulated depreciation and impairment	(129)	(76)	(64)	**(269)**
Net carrying amount	25	95	20	**140**

14 Non-current assets – property, plant and equipment (Cont)

	Computer equipment $000	Furniture and fittings $000	Office equipment $000	Total $000
Year ended 31 March 2014				
Cost	129	169	100	398
Accumulated depreciation and impairment	(106)	(38)	(74)	(218)
Carrying value at beginning of the year	23	131	26	180
Additions	18	2	1	21
Disposals	-	-	-	-
Depreciation charge for the year	(16)	(19)	(9)	(44)
Carrying value at end of year	25	114	18	157
At 31 March 2014				
Cost	126	172	92	390
Accumulated depreciation and impairment	(101)	(58)	(74)	(233)
Net carrying amount	25	114	18	157

15 Non-current assets – intangible assets

	Goodwill $000	Software licences $000	Total $000
Year ended 31 March 2015			
Cost	1,518	1,055	**2,573**
Accumulated amortisation and impairment	-	(627)	**(627)**
Carrying value at the beginning of the year	1,518	428	**1,946**
Foreign Exchange Loss	(7)	-	**(7)**
Additions	-	783	**783**
***Assumed on Purchase of Businesses**	871	-	**871**
Impairment	-	-	**-**
Amortisation charge for the year	-	(73)	**(73)**
Carrying value at end of year	2,382	1,138	**3,520**
At 31 March 2015			
Cost	2,382	1,838	**4,220**
Accumulated amortisation and impairment	-	(700)	**(700)**
Net carrying amount	2,382	1,138	**3,520**

Amortisation expense has not been recognised in the Group for internally developed software which is still under development as at 31 March 2015. The value of this software in the Group is $819,955 of which $198,257relates to Enprise Anywhere and the balance of $621,698 relates to Datagate. Subsequent to year end Enprise Anywhere was completed and will be amortised in 2016. Datagate also has live sites and this will be amortised in 2016.

*On 1st February 2014, Enprise Group acquired the MYOB EXO practice of the New Zealand software services company Global Bizpro Limited, since renamed to Bridge 2 Limited.

Due to the acquisition of Global Bizpro and Datagate, goodwill increased considerably during the reporting period.

15 Non-current assets – intangible assets (Cont)

	Goodwill $000	Software licences $000	Total $000
Year ended 31 March 2014			
Cost	1,542	820	**2362**
Accumulated amortisation and impairment	-	(548)	**(548)**
Carrying value at the beginning of the year	1,542	272	**1,814**
Foreign Exchange Loss	(24)	-	**(24)**
Additions	-	235	**235**
*Assumed on Purchase of Business	-	-	**-**
Impairment	-	-	**-**
Amortisation charge for the year	-	(79)	**(79)**
Carrying value at end of year	1,518	428	**1,946**
At 31 March 2014			
Cost	1,518	1,055	**2,573**
Accumulated amortisation and impairment	-	(627)	**(627)**
Net carrying amount	1,518	428	**1,946**

Description of the Group's intangible assets

Software Licenses

Software license costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line value method over a period of 5 years. The amortisation has been recognised in the statement of comprehensive income in the line item depreciation and impairment. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

16 Current liabilities - trade and other payables

	2015 $000	2014 $000
Trade payables	**624**	583
Payroll liabilities	**89**	75
Insurance loan	**35**	35
Other payables	**781**	799
Carrying amount of trade and other payables	**1,529**	1,492
Related party payables (a)		
Subsidiaries	**-**	-
Other related parties	**436**	121
	436	121

(a) Related party payables

For terms and conditions relating to related party payables refer to note 20.

(b) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

16 Current liabilities - trade and other payables (Cont)

(c) Foreign exchange and liquidity risk

For further information on the management of foreign exchange and liquidity risk refer to note 3.

17 Current liabilities – provisions

Movements in the provisions accounts were as follows:

	2015 $000	2014 $000
At 1 April	**162**	121
Charges for staff leave entitlements for the year	**272**	259
Entitlements assumed on purchase of business	-	-
Reversals for staff leave entitlements for the year	**(300)**	(218)
	134	162
Deferred settlement Global Bizpro	**374**	-
At 31 March	**508**	162

The staff leave entitlements which consist of holiday pay are due and payable, it is expected that they will be paid within the following 12 month period.

The $374,000 is payable to Global Bizpro over the next 11 months, subject to the satisfaction of certain financial performance milestones of the business post acquisition.

18 Contributed equity

	2015 $000	2014 $000
Ordinary shares (a)	**2,823**	2,408
	2,823	2,408

(a) Ordinary shares

Issued and fully paid	**2,823**	2,408

Fully paid ordinary shares having no par value carrying one vote per share and the right to dividends.

	Thousands	$000
Movement in ordinary shares on issue		
At 1 April 2013	**5,813**	2,408
At 31 March 2014	**5,813**	2,408
Issue of ordinary shares	**276**	90
Issue of ordinary shares	**146**	47
Issue of ordinary shares	**200**	100
Issue of ordinary shares	**356**	178
At 31 March 2015	**6,791**	2,823

18 Contributed equity (Cont)

(b) Capital management
Enprise Group Limited is listed on the NZAX. Enprise Group Limited acquired 100% of Enprise Solutions Limited, 100% of Enprise Australia Pty Limited, 100% of Enprise Limited and 33.33% of 2Cloud.biz Limited on 1 November 2012. Enprise Group Limited listed on the National Stock Exchange of Australia on 1st February 2013. On 1 April 2014, Enprise Group acquired 100% of Datagate Innovation Limited. On 1 February 2015 Enprise Group Limited acquired the MYOB Exo practice of New Zealand software services company Global Bizpro Limited. The group delisted from the National Stock Exchange of Australia on 30 September 2014. On 1 December 2014 Enprise Group Limited listed on the New Zealand Stock Exchange Alternative Market (NZAX).

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including „current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as „equity" as shown in the consolidated balance sheet plus net debt.
Management has issued further shares to fund the acquisition of Datagate Innovation Limited. Management is considering issuing further shares to fund the expansion of Datagate Innovation Limited.

The Group is not subject to any externally imposed capital requirements.

19 Statement of cash flows reconciliation

	2015 $000	2014 $000
Reconciliation of net profit to net cash flows from operations		
Net profit / (loss)	**232**	(231)
Adjustments for non-cash items:		
Depreciation and amortisation	**115**	123
Net loss (gain) on foreign exchange	**57**	44
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	**(140)**	(78)
(Decrease)/increase in trade and other payables	**6**	233
Net liabilities assumed on acquisition	**(48)**	-
Net cash from operating activities	**222**	91

20 Related party disclosure

(a) Subsidiaries and associate

The consolidated financial statements include the financial statements of Enprise Group Limited, the subsidiaries and the associate, as listed in the following table:

Subsidiary name	Country of incorporation	Principal Activity	% of equity interest		Investment ($000)	
			2015	2014	**2015**	2014
Datasquirt (Australia) Pty Limited	Australia	Software sales	**100**	100	-	-
Enprise Solutions Limited	New Zealand	Software sales	**100**	100	**2,075**	2,075
Enprise Australia Pty Limited	Australia	Software sales	**100**	100	-	-
Enprise Limited	New Zealand	Software sales	**100**	100	-	-
Datagate Innovation Limited	New Zealand	Software sales	**100**	-	**76**	-
Global Bizpro Limited	New Zealand	Software sales	**100**	-	-	

Associate name	Country of incorporation	Principal Activity	% of equity interest		Investment ($000)	
			2015	2014	**2015**	2014
2Cloud.biz Limited	New Zealand	Hosting Services	-	33	-	(16)

(b) Ultimate parent

Enprise Group Limited is the ultimate New Zealand parent entity and the ultimate parent of the Group.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 21.

(d) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year (for information regarding outstanding balances on related party trade receivables and payables at year-end, refer to notes 12 and 16 respectively):

Related Party		Sales to related parties $000	Purchases from related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
Group					
2Cloud.biz Limited (Associate)	**2015**	-	-	-	-
	2014	1	70	5	21
Encap Group Limited (Common director)	**2015**	-	**10**	-	**100**
	2014	-	5	-	100
Nightingale Partners (Director)	**2015**	-	**27**	-	**336**
	2014	-	-	-	-

20 Related party disclosure(Cont)

Terms and conditions of transactions with related parties:

(i) Shareholders and other related parties

Sales to and purchases from related parties are made in arms length transactions both at normal market prices and on normal commercial terms. Outstanding trading balances at year-end are unsecured, interest free and settlement occurs in cash.

During the year, the group renewed a loan of $100,000 from Encap Group Limited. The loan is unsecured, at an interest rate of 10%, it is payable in full on or before 16 September 2015. There is no specific assets used to secure this facility.

The Group obtained a loan facility amounting to NZ $319,167 from Nightingale Partners which is repayable over the next 1 – 12 months. The interest rate on the underlying loan facility as at reporting date was 10%. This facility is secured over the assets of Datagate Innovation Limited.

(ii) Subsidiaries

The transactions between the parent, Enprise Group Limited, and its subsidiaries, are comprised of cash advances from the parent to the subsidiaries, purchases made on behalf of one entity by another.

21 Key management personnel

Compensation for key management personnel

	2015	2014
	$000	$000
Salaries, bonuses and commissions	**352**	451
Other benefits	**5**	14
Directors fees	**65**	65
Total compensation	**422**	530

During the year, the number of employees or former employees, not being non-executive directors of Enprise Group Limited received remuneration and the value of other benefits that exceeded $100,000 as follows:

	2015	2014
	Number of employees	
100,001 – 110,000	**1**	3
110,001 – 120,000	**5**	1
120,001 – 130,000	-	2
130,001 – 140,000	**2**	1
140,001 – 150,000	**2**	2
150,001 – 160,000	-	-
160,001 – 170,000	-	1
170,001 – 180,000	-	-
180,001 – 190,000	-	1
190,001 – 200,000	-	-

22 Commitments

(i) Leasing commitments
Lease commitments
The Group has commercial lease commitments.

- Enprise Solutions Limited – Auckland Office

  The lease of Enprise Solutions Limited, Auckland Office, is for an initial term of 8 years, commencing 21 June 2012 with a renewal of a further six years. The renewal date is 21 June 2020. The final expiry date of the lease is 20 June 2026.

- Enprise Solutions Limited – Wellington Office

  The lease of Enprise Solutions Limited, Wellington office, is for a term of 12 months period, commencing on the 1st February 2015. The lease expires on 28th February 2016 with a renewal of a further one year.

- Enprise Solutions Limited – Hamilton Office

  The lease of Enprise Solution Limited, Hamilton office, commenced on the 5th November 2007. The lease agreement continues to operate until terminated by either party by way of 3 months' notice in writing.

- Enprise Australia Pty Limited – Sydney Office

  The lease of Enprise Australia Pty Limited, Sydney office, commenced on the 1st September 2013 was for an initial term of 1 year expiring 31st August 2014. The lease agreement continues to operate until terminated by either party by way of 1 months' notice in writing.

- Enprise Australia Pty Limited – Melbourne Office

  The lease of Enprise Australia Pty Limited, Melbourne office, commenced on the 1st October 2013 and is for 2 years and 9 months expiring 30th June 2016.

The total expense recognised for the year ended 31 March 2015 in relation to operating commitments is $205,550 (2014:$203,999).

Future minimum rentals payable under non-cancellable operating leases as at 31 March are as follows:

	2015	2014
	$000	$000
Within one year	**146**	181
After one year but not more than five years	**484**	502
After more than five years	**30**	150
Total minimum lease payments	**660**	833

(ii) Property, plant and equipment commitments
The Group had no contractual obligations to purchase plant and equipment at balance date. (2014: $nil).

23 Contingencies

There were no known material contingent liabilities at 31 March 2015 (2014: Nil).

24 Events after the reporting date

The Group is seeking to raise NZ $824,000 by placement(s) of new shares at 50 cents per share to qualifying investors. This offer is only being made to eligible investors in New Zealand. The new capital will be used primarily on further development of Datagate product and in growing the Datagate customer base within New Zealand before taking Datagate offshore.

25 Auditor's remuneration

	2015 $000	2014 $000
Amounts received or due and receivable by UHY Haines Norton Auckland for:		
Audit of the financial statements	**77**	78
	77	78

The auditor of Enprise Group Limited is UHY Haines Norton Auckland.

26 Financial instruments classification

Group 31 March 2015	Held for trading $000	Loans and receivable $000	Available for sale $000	Other $000	2015 Total $000
Financial Assets:					
Cash and cash equivalents	379	-	-	-	**379**
Trade and other receivables	-	1,334	-	-	**1,334**
Related party receivables	-	-	-	-	**-**
Staff receivables	-	38	-	-	**38**
Term deposit	-	-	-	154	**154**
Total	379	1,372	-	154	**1,905**
Financial Liabilities:					
Trade and other payables	-	2,037	-	-	**2,037**
Related party payables	-	436	-	-	**436**
Lock Finance	-	19	-	-	**19**
Fit-out loan	-	-	-	79	**79**
Total	-	2,492	-	79	**2,571**

Group 31 March 2014	Held for trading $000	Loans and receivable $000	Available for sale $000	Other $000	2014 Total $000
Financial Assets:					
Cash and cash equivalents	665	-	-	-	**665**
Trade and other receivables	-	1,189	-	-	**1,189**
Related party receivables	-	5	-	-	**5**
Staff receivables	-	77	-	-	**77**
Term deposit	-	-	-	154	**154**
Total	665	1,271	-	154	**2,090**
Financial Liabilities:					
Trade and other payables	-	1,654	-	-	**1,654**
Related party payables	-	121	-	-	**121**
Fit-out loan	-	-	-	87	**87**
Total	-	1,775	-	87	**1,862**

The Lock Finance facility is secured over Trade Receivables of Enprise Solutions Limited and Enprise Australia Pty Limited.

27 Comparative figures

The comparative figures cover a period of 12 months to 31 March 2014.

28 Acquisition of subsidiaries

On 1 November 2012 the Group obtained control of 100% of Enprise Solutions Limited, 100% of Enprise Australia Pty Limited, 100% of Enprise Limited.

Taking control of the above entities will enable the Group to expand its operations in relation to the SME accounting software and services market. The acquisition is expected to provide the Group with an increased share of the accounting software market in New Zealand and Australia. The Group also expects to reduce costs through economies of scale.

In the five months to 31 March 2013 the above entities have contributed revenue of $2,399 thousand and a loss of $127 thousand to the Group's results. If the acquisition had occurred on 1 April 2012, management estimates that consolidated revenue would have been $5,871 thousand and consolidated loss for the year would have been $512 thousand. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2012.

On 1st April 2014 the Group acquired 100% control of Datagate Innovation Limited. Datagate Innovation Limited is an early-stage business that provides online reporting and billing portals for resellers of Telco and utility services and hosted service providers under a Software-as-a-Service (SaasS) model.

This acquisition is expected to provide the Group with increases in revenue through implementation fees, recurring service fees and time –based custom development charges.

Details of the acquisition are as follows:

Consideration transferred

In thousands of New Zealand Dollars	**2015 '000**
Cash	30
Shares	90
	120

Identifiable assets acquired and liabilities assumed

In thousands of New Zealand Dollars	**Note**	**2015 '000**
Trade receivables		3
Cash and cash equivalents		2
Trade and other payables		6
Total identifiable net assets		1

Goodwill

Goodwill was recognised as a result of the acquisition as follows:

In thousands of New Zealand Dollars	**Note**	**2015**
Total consideration transferred		120
Fair value of identifiable net assets		1
Goodwill	15	121

The goodwill is attributable mainly to the intellectual property of Datagate Innovation. None of the goodwill recognised is expected to be deductible for income tax purposes.

Corporate Information

New Zealand company number	1562383
ARBN (Australian Registered Body Number)	125 825 792
ABN (Australian Business Number)	41 125 825 792

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Registered office
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Directors	Mark Loveys	*Chief Executive Officer*
	Lindsay Phillips	*Chairman*
	Jens Neiser	*Non-executive Director*
	George Cooper	*Chief Financial Officer*

Share Register

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Enprise Group Limited shares are listed on the New Zealand Stock Exchange Alternative Market

Auditor	UHY Haines Norton Auckland, New Zealand
Lawyer	Hudson Gavin Martin, Auckland, New Zealand Sean Joyce, Auckland, New Zealand
Principal Bankers	ASB Bank Limited, Auckland, New Zealand