



ENPRISE GROUP LIMITED  
HALF YEAR REPORT  
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2013

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## Directors' Report

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The Directors submit their Report on Enprise Group Limited for the half year ended 30 September 2013.

### Directors

The following persons were Directors of Enprise Group Limited during the whole of the half year and up to the date of this Report:

Christian Bernecker	<i>Chairman</i>
Mark Loveys	<i>Chief Executive Officer</i>
Jens Neiser	<i>Non-Executive Director</i>
George Cooper	<i>Chief Financial Officer</i>

### Highlights

Enprise Group Limited currently has 2 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.

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▪ Net loss for the period of \$110,000.

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▪ Cash and bank balances of \$203,000 at period end.

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▪ Enprise acquired a 10% equity stake in cloud software provider, AccountabilityAccess Pty Limited on 26 July 2013.

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Revenue	Half Year September 2013 \$NZ '000	Half Year September 2012 \$NZ '000	Increase/ (Decrease) %
Software and Licenses	2,044	-	100%
Services and Support	1,470	-	100%
Interest	13	45	(71)%
	3,527	45	7,738%



**Christian Bernecker**  
Chairman  
29 November 2013

## Interim Consolidated Statement of Financial Position

As at 30 September 2013

	Note	Unaudited 30 September 2013 NZ \$'000	Unaudited 30 September 2012 NZ \$'000	Audited 31 March 2013 NZ \$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	8	203	2,921	708
Trade and other receivables		1,132	54	1,059
Related party receivables		6	-	5
Staff receivables		45	-	49
<b>Total Current Assets</b>		<b>1,386</b>	<b>2,975</b>	<b>1,821</b>
<b>Non-current Assets</b>				
Investment in equity accounted associate		20	-	20
Other investments	9	230	-	-
Property, plant and equipment	6	179	-	180
Term deposit		154	-	154
Staff receivables		62	-	90
Intangible assets		1,862	-	1,814
<b>Total Non-current Assets</b>		<b>2,507</b>	<b>-</b>	<b>2,258</b>
<b>TOTAL ASSETS</b>		<b>3,893</b>	<b>2,975</b>	<b>4,079</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables		1,052	59	1,268
Related party payables		110	-	12
Provisions		169	132	121
Fit out loan		15	-	15
<b>Total Current Liabilities</b>		<b>1,346</b>	<b>191</b>	<b>1,416</b>
<b>Non-current liabilities</b>				
Fit out loan		79	-	85
<b>Total Non-current Liabilities</b>		<b>79</b>	<b>-</b>	<b>85</b>
<b>TOTAL LIABILITIES</b>		<b>1,425</b>	<b>191</b>	<b>1,501</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of the parent</b>				
Contributed equity	10	2,408	2,408	2,408
Accumulated profit / (loss)	10	60	376	170
Reserves	10	-	-	-
<b>TOTAL EQUITY</b>		<b>2,468</b>	<b>2,784</b>	<b>2,578</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,893</b>	<b>2,975</b>	<b>4,079</b>

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 interim financial statements on 29 November 2013.



Mark Loveys  
Chief Executive Officer  
29 November 2013



Christian Bernecker  
Chairman  
29 November 2013

## Interim Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2013

	Note	Unaudited 30 September 2013 NZ \$'000	Unaudited 30 September 2012 NZ \$'000
<b>Revenue</b>			
Revenue		3,514	-
Other revenue		13	58
	3	3,527	58
Cost of Goods Sold		(1,326)	-
Advertising and Marketing expense		(43)	-
Employee benefits expense		(1,751)	-
Professional fees		(81)	(116)
Travel expenses		(118)	-
Other operating expenses		(225)	(125)
Net loss on foreign exchange		(28)	(84)
Depreciation & impairment		(65)	-
<b>Loss from continuing operations before income tax</b>			
		(110)	(267)
Income tax expense	4	-	-
<b>Loss after income tax</b>			
	3	(110)	(267)
<b>Net loss for the period</b>			
		(110)	(267)
<b>Other comprehensive income</b>			
Movement in translation reserve		-	-
<b>Other comprehensive income for the period, net of income tax</b>			
		-	-
<b>Total comprehensive income/(loss) for the period</b>			
		(110)	(267)
<b>Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share	7	(0.02)	(0.05)
Diluted earnings per share	7	(0.02)	(0.05)

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

## Interim Consolidated Cash Flow Statement

For the six months ended 30 September 2013

	Note	Unaudited 30 September 2013 NZ \$'000	Unaudited 30 September 2012 NZ \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,591	-
Payments to suppliers and employees (inclusive of GST)		(3,843)	(190)
Income tax refund		-	8
Interest paid		(2)	-
Interest received		13	45
<b>Net cash flows used in operating activities</b>	11	<b>(241)</b>	<b>(137)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(18)	-
Purchase of intangibles		(107)	-
Purchase of equity investments		(230)	-
<b>Net cash flows used investing activities</b>		<b>(355)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowing		100	-
Loans repaid by other entities		32	-
Loans to other entities		(13)	-
<b>Net cash flows from financing activities</b>		<b>119</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(477)</b>	<b>(137)</b>
Net foreign exchange differences		(28)	(84)
Cash and cash equivalents at beginning of period		708	3,142
<b>Cash and cash equivalents at 30 September</b>		<b>203</b>	<b>2,921</b>

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

## Interim Consolidated Statement of Changes in Equity

For the six months ended 30 September 2013

Unaudited	Note	Share capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 April 2012		2,408	643	3,051
Net loss for the period		-	(267)	(267)
<b>Other comprehensive income</b>				
Movement in translation reserve		-	-	-
<b>Total other comprehensive income</b>		-	-	-
<b>Total comprehensive income for the period</b>		-	(267)	(267)
<b>Balance at 30 September 2012</b>	10	2,408	376	2,784

Unaudited	Note	Share capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 April 2013		2,408	170	2,578
Net loss for the period		-	(110)	(110)
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		-	(110)	(110)
<b>Balance at 30 September 2013</b>	10	2,408	60	2,468

Audited	Note	Share capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 April 2012		2,408	643	3,051
Net profit for the period		-	(473)	(473)
<b>Other comprehensive income</b>				
Movement in translation reserve		-	-	-
<b>Total other comprehensive income</b>		-	-	-
<b>Total comprehensive income for the period</b>		-	(473)	(473)
<b>Balance at 31 March 2013</b>	10	2,408	170	2,578

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



# Notes to the Financial Statements

## For the half year ended 30 September 2013

### 1 Corporate information

The Interim Condensed Consolidated Financial Statements of Enprise Group Limited (the Group) for the six months ended 30 September 2013 were authorised for issue in accordance with a resolution of the Directors on 29 November 2013.

Enprise Group Limited (the parent) is a company limited by shares incorporated in New Zealand whose shares are publicly traded on the National Stock Exchange of Australia (NSXA).

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

### 2 Basis of preparation and accounting policies

#### (a) Basis of preparation

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with both IAS 34 Interim Financial Reporting and NZ IAS 34 Interim Financial Reporting.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2013 and considered together with any public announcements made by Enprise Group Limited relating to the half year ended 30 September 2013 in accordance with continuous disclosure obligations of the NSXA Listing Rules.

#### (b) Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

### 3 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 ( <i>Parent</i> )	New Zealand	New Zealand
Enprise Solutions Limited	New Zealand	New Zealand and Globally
Enprise Australia Pty Limited	Australia	Australia
Enprise Limited	New Zealand	New Zealand
2Cloud.biz Limited	New Zealand	New Zealand
Datasquirt (Australia) Pty Limited (non-trading)	Australia	Australia and South-East Asia

### 3 Segment Information (continued)

#### Geographic segments

The following table presents a summary of revenue, other income and profit and loss information regarding the subsidiaries performance for the six months ended 30 September 2013, and for the six months ended 30 September 2012.

Six months ended 30 September 2013 (unaudited)	New Zealand	Australia	Asia	North America	EMEA	TOTAL
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
External Revenue	1,878	1,395	23	159	59	3,514
Other income	13	-	-	-	-	13
Total external revenue	1,891	1,395	23	159	59	3,527
Net loss	(16)	(94)	-	-	-	(110)

Six months ended 30 September 2012 (unaudited)	New Zealand	Australia	Asia	North America	EMEA	TOTAL
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
External Revenue	-	-	-	-	-	-
Other income	58	-	-	-	-	58
Total external revenue	58	-	-	-	-	58
Net loss	(267)	-	-	-	-	(267)

### 4 Income Tax

For the six months ended 30 September 2013 (unaudited)

2013  
NZ \$'000

2012  
NZ \$'000

#### (a) Income tax expense

*Statement of Comprehensive Income*

*Current income tax*

-

-

#### (b) Reconciliation between tax at statutory rate and tax expense in Statement of Comprehensive Income

Statutory tax at 28%

-

-

Relating to non-deductible differences

14

Relating to origination and reversal of temporary differences

(10)

-

Prior year under / over provision

12

-

Tax effect of tax losses not recognised

(16)

-

Income tax expense reported in the Statement of Comprehensive Income

-

-

#### (c) Unrecognised temporary differences and tax losses

Bonuses

(27)

Holiday pay

20

-

Other temporary differences

(3)

-

Net temporary difference

(10)

-

**Accumulated tax losses**

**(10,826)**

**(10,598)**

#### 4 Income Tax (continued)

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.

#### 5 Dividends paid and proposed

No dividends have been paid or proposed to date.

#### 6 Property, plant and equipment

During the six months ended 30 September 2013, the Group acquired tangible assets to the value of NZ \$18,697 (30 September 2012: NZ \$10,000).

#### 7 Earnings per share

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

##### For the six months ended 30 September 2013 (unaudited)

(a) Earnings used in calculating earnings per share	2013 NZ \$'000	2012 NZ \$'000
<i>For basic earnings per share:</i>		
Net loss attributable to ordinary equity holders of the parent	(110)	(267)
<i>For diluted earnings per share:</i>		
Net loss attributable to ordinary equity holders of the parent from basic EPS	(110)	(267)
Net loss attributable to ordinary equity holders of the parent	(110)	(267)
(b) Weighted average number of shares	2013	2012
Weighted average number of ordinary shares for basic earnings per share	5,813	5,813
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	5,813	5,813

There are no instruments (eg share options) included in the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are anti-dilutive 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.

## 7 Earnings per share (continued)

### (c) Information on the classification of securities

#### (i) Options

Options granted to employees are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been included in the determination of basic earnings per share.

## 8 Current assets - cash and cash equivalents

	Unaudited 30 September 2013 NZ \$'000	Unaudited 30 September 2012 NZ \$'000	(Audited) 31 March 2012 NZ \$'000
Cash at bank	54	2	708
Short-term deposits	149	2,919	-
Carrying amount of cash and cash equivalents	<b>203</b>	2,921	708

## 9 Other investments

During the six months ended 30 September 2013, the Group acquired 10% equity stake in Accountability Access Pty Limited to the value of NZ \$229,636 (30 September 2012: NZ \$Nil)

## 10 Contributed equity, retained earnings and reserves

Contributed equity consists of ordinary shares issued and fully paid. These ordinary shares carry one vote per share and carry the rights to dividends.

#### Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

## 11 Cash flow statement reconciliation

For the six months ended 30 September 2012 (unaudited)	2013 NZ \$'000	2012 NZ \$'000
<b>(a) Reconciliation of net loss to net cash flows from operations</b>		
Net loss	(110)	(267)
<i>Adjustments for:</i>		
Depreciation	65	-
Net gain / loss on foreign exchange	28	84
Bad debts written off	30	-
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(38)	(37)
(Decrease)/increase in trade and other payables	(216)	83
Net cash from operating activities	<b>(241)</b>	(137)

## 12 Related party disclosure

The following table provides the total amount of transactions that were entered into with related parties for the half year ended 30 September:

Related Party		Sales to related parties NZ \$'000	Purchases from related parties NZ \$'000	Amounts owed by related parties NZ \$'000	Amounts owed to related parties NZ \$'000
<i>Directors and related entities:</i>					
Aaron Ridgway	<b>2013</b>	-	-	-	-
(Former director)	2012	-	-	4	-
George Cooper	<b>2013</b>	-	-	-	-
(Director)	2012	-	13	-	-
2Cloud.biz Limited	<b>2013</b>	-	-	6	10
(Associate)	2012	-	-	-	-
Encap Group Limited*	<b>2013</b>	-	-	-	100
(Common	2012	-	-	-	-

\* During the six months ended 30 September 2013, the Group obtained a loan facility amounting to NZ \$ 100,000 from Encap Group Limited which is repayable over next 1 – 12 months. The interest rate on the underlying loan facility as at the reporting date was 10%.

## 13 Share-based payment plans

No share options were granted or forfeited in the period to 30 September 2013 (30 September 2012: nil).

## 14 Commitments

### (i) Leasing 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 6 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 2013 and expires on 28th February 2014 with a renewal of further one year.

- Enprise Solutions Limited – Hamilton Office

The lease of Enprise Solutions 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, is for a term of 2 years, commencing on the 1st September 2013.

In 2012 the group had no lease commitments.

Future minimum rentals payable under non-cancellable operating leases as at 30 September are as follows:

	2013 NZ \$'000	2012 NZ \$'000
Within one year	160	-
After one year but not more than five years	506	-
After more than five years	210	-
Total minimum lease payments	876	-

## **14 Commitments (continued)**

### **(ii) Property, plant and equipment commitments**

The Group had no contractual obligations to purchase plant and equipment at balance date (31 March 2013: NZ \$Nil).

## **15 Events after the reporting date**

There have been no events subsequent to the reporting date.

## **16 Contingencies**

There were no know material contingent liabilities at 30 September 2013 (31 March 2013 : NZ \$Nil)

## **17 Going Concern**

The financial statements have been prepared on a going concern basis.

## Directors' Declaration

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The Directors declare that the interim condensed consolidated financial statements:

- I. Comply with NZ IAS 34 Interim Financial Reporting.
- II. Give a true and fair view of the financial position of Enprise Group Limited and its subsidiaries as at 30 September 2013 and of their performance, as represented by the results of their operations and their cash flows for the half-year ended on that date.

In the Directors' opinion at the date of this declaration, there are reasonable grounds to believe that Enprise Group Limited will be able to pay its debts as and when they become payable.

The declaration is made in accordance with a resolution of Directors and is signed for and on behalf of the Board of Directors.

Dated at Auckland this 29<sup>th</sup> day of November 2013.



**Christian Bernecker**  
Chairman  
29 November 2013



**Mark Loveys**  
Director  
29 November 2013

**INDEPENDENT ACCOUNTANT'S REPORT  
TO THE SHAREHOLDERS OF ENPRISE GROUP LIMITED**

**Report on the Interim Financial Statements**

We have reviewed the interim financial statements on pages 3 to 13, which provide information about the past financial performance of Enprise Group Limited and Group and its financial position as at 30 September 2013. This information is stated in accordance with the accounting policies set out in the Company's annual financial statements dated 29 June 2013.

**Directors' Responsibilities for the Interim Financial Statements**

The directors are responsible for the preparation of interim financial statements which comply with generally accepted accounting practice in New Zealand and which present fairly the financial position of the Group as at 30 September 2013 and the results of its operations and cash flows for the six month period ended on that date.

**Accountant's Responsibilities**

We are responsible for reviewing the interim financial statements presented by the directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the interim financial statements do not present fairly the matters to which they relate.

**Basis of Opinion**

A review is limited primarily to enquiries of Company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, do not express an audit opinion.

We have reviewed the interim financial statements of the Group for the six months ended 30 September 2013 in accordance with the Review Engagement Standards issued in New Zealand.

**Opinion**

Based on our review nothing has come to our attention that causes us to believe that the accompanying interim financial statements, set out on pages 3 to 13, do not fairly present the financial position of the Group as at 30 September 2013 and its financial performance and cash flows for the six month period ended on that date in accordance with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting.

Our review was completed on 29 November 2013 and our findings are expressed as at that date.

**Restriction on Distribution of Use**

This report is made solely to the Company's shareholders, as a body, in accordance with National Stock Exchange of Australia listing rules. Our review has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an accountant'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 review work, for this report, or for our findings.

*UHY Haines Norton*

UHY Haines Norton  
Chartered Accountants  
Auckland

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*This accountant's report relates to the financial statements of Enprise Group Limited ("the Company") for the half year ended 30 September 2013 included on the Company's website. The directors of the Company are responsible for the maintenance and integrity of the company's website. We have not been engaged to report on the integrity of the Company's website. We accept no responsibility for any changes that may have occurred to the financial statements since it was initially presented on the website. The accountant's report refers only to the financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of these financial statements are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the financial statements and related accountant's report dated 29 November 2013 to confirm the information included in the financial statements presented on this website. Legislation in New Zealand governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

# Independent Review Report

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## Corporate Information

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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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### Contact details

#### New Zealand

Level 1, 16 Hugo Johnston Drive  
Penrose  
PO Box 62262  
Sylvia Park  
Auckland 1644  
Phone: +64 9 829 5500  
Fax: +64 9 829 5501

#### Principal place of business

Level 1, 16 Hugo Johnston Drive  
Penrose, Auckland, New Zealand  
Phone: +64 9 829 5500

#### Registered office

Level 1, 16 Hugo Johnston Drive  
Penrose, Auckland, New Zealand

#### Australia

Bondi Junction  
P O Box 1027  
Sydney  
NSW 1355  
Phone: +61 2 8355 7055  
Fax: +61 2 8355 7045

#### Registered office – Australia

Level 12, 680 George Street  
Sydney, NSW 2000

#### Internet address

[www.enprisegroup.com](http://www.enprisegroup.com)

#### Email

[info@enprise.com](mailto:info@enprise.com)

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### Directors

Christian Bernecker	<i>Chairman</i>
Mark Loveys	<i>Chief Executive Officer</i>
Jens Neiser	<i>Non-Executive Director</i>
George Cooper	<i>Chief Financial Officer</i>

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### Local Agent

Company Matters Pty Limited

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### Share Register

Registries Limited  
Level 7, 207 Kent Street  
Sydney, NSW 2000, Australia  
Phone: +61 2 9290 9600

Enprise Group Limited shares are listed on the National Stock Exchange of Australia

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### Auditor

UHY Haines Norton , Auckland, New Zealand

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