



Enprise Group Limited

Unaudited Results Announcement

for the year ended 30 June 2021

Enprise Group Limited

Unaudited Consolidated Statement of Comprehensive Income for the year ended 30 June 2021

	30 June 2021		30 June 2020	
	12 mths	\$'000	15 mths	\$'000
Continued operations				
Revenue from contracts with customers		16,113		12,420
Government assistance		753		935
Employee expense		(11,806)		(8,335)
Other operating costs		(4,385)		(3,499)
Other gains/(losses) - net		-		60
Operating profit from continued operations		675		1,581
Equity earnings/(losses) from associates and joint ventures		(474)		(618)
Other gains/(losses) related to associates and joint ventures		344		257
Net gain on previously held interest in associates and joint ventures		-		85
Finance cost - net		(174)		(39)
Profit/(loss) before income tax from continuing operations		371		1,266
Income tax benefit/(expense)		399		93
Profit/(loss) for the period		770		1,359
Other Comprehensive Income				
<i>Items that may be reclassified to profit or loss</i>				
Foreign currency translation differences		38		93
<i>Items that will not be reclassified to profit or loss</i>				
Changes in the fair value of investments through other comprehensive income		23		220
Total other comprehensive income for the period, net of tax		61		313
Total comprehensive income for the period		831		1,672
Profit for the year is attributable to:				
Non-Controlling Interest		(326)		23
Owners of Enprise Group Limited		1,096		1,336
		770		1,359
Total comprehensive income for the year is attributable to				
Non-Controlling Interest		(326)		23
Owners of Enprise Group Limited		1,157		1,649
		831		1,672
Earnings per share (cents per share)				
Basic and diluted earnings per share		6.84		11.67

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Unaudited Consolidated Statement of Financial Position as at 30 June 2021

	30 June 2021	30 June 2020
	\$'000	\$'000
Current assets		
Cash and cash equivalents	2,806	3,169
Trade and other receivables	2,821	2,953
Contract assets	713	646
Current tax assets	1	-
Staff receivables	-	13
Total current assets	6,341	6,781
Non-current assets		
Investments in associates, joint ventures	833	628
Investments in other entities	687	813
Staff receivables	106	90
Property plant and equipment	384	284
Intangible assets	10,810	10,960
Right-of-use assets	1,568	1,851
Deferred tax asset	1,958	1,746
Loans to related parties	87	-
Other non-current assets	54	154
Total non-current assets	16,487	16,526
Total assets	22,828	23,307
Current liabilities		
Trade and other payables	2,554	2,787
Provisions	1,525	1,232
Contract liabilities	2,362	1,989
Borrowings	50	347
Lease liabilities	360	704
Total current liabilities	6,851	7,059
Non-current liabilities		
Provisions	181	269
Borrowings	-	138
Lease liabilities	1,300	1,179
Deferred tax liability	705	893
Total non-current liabilities	2,186	2,479
Total liabilities	9,037	9,538
Net assets	13,791	13,769
Equity		
Share capital	11,010	10,749
Foreign exchange translation reserve	196	158
Financial assets at FVOCI reserve	588	565
Retained earnings	1,442	912
Equity attributable to the owners of Enprise Group Limited	13,236	12,384
Non-controlling interest	555	1,385
Total equity	13,791	13,769
Total assets per share (\$ per share)	1.41	1.47
Net tangible assets per share (\$ per share)	0.13	0.14

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Unaudited Consolidated Statement of Changes in Equity for the year ended 30 June 2021

	Share capital	Foreign exchange translation reserve	Financial assets at FVOCI reserve	Retained earnings	Non-Controlling Interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2019	6,566	65	345	(424)	-	6,552
<i>Transactions with shareholders in their capacity as owners</i>						
New shares issued	4,183	-	-	-	-	4,183
Non-controlling interest on acquisition	-	-	-	-	870	870
New share issue in iSell Pty Limited	-	-	-	-	492	492
Total transactions with shareholders	4,183	-	-	-	1,362	5,545
<i>Comprehensive income</i>						
Profit for the period	-	-	-	1,336	23	1,359
Other comprehensive income	-	93	220	-	-	313
Total comprehensive income net of tax	-	93	220	1,336	23	1,672
Balance at 30 June 2020	10,749	158	565	912	1,385	13,769
Balance at 1 July 2020	10,749	158	565	912	1,385	13,769
<i>Transactions with shareholders in their capacity as owners</i>						
Dividends paid	-	-	-	(639)	-	(639)
New shares issued under dividend reinvestment plan	261	-	-	-	-	261
Transactions with non-controlling interests	-	-	-	73	(504)	(431)
Total transactions with shareholders	261	-	-	(566)	(504)	(809)
<i>Comprehensive income</i>						
Profit for the period	-	-	-	1,096	(326)	770
Other comprehensive income	-	38	23	-	-	61
Total comprehensive income net of tax	-	38	23	1,096	(326)	831
Balance at 30 June 2021	11,010	196	588	1,442	555	13,791

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Unaudited Consolidated Statement of Cash Flow for the year ended 30 June 2021

	30 June 2021		30 June 2020	
	12 mths	\$'000	15 mths	\$'000
Operating activities				
Cash was provided from:				
Receipts from customers		23,855		19,962
Government Assistance		935		753
Interest received		2		19
Income tax refund received		-		1
		24,792		20,735
Cash was applied to:				
Payments to suppliers & employees		22,445		18,012
Interest paid		26		62
		22,471		18,074
Net cash inflow (outflow) from operating activities		2,321		2,661
Investing activities				
Cash was provided from:				
Loans repaid by staff		13		74
Repayments from associates and joint ventures		-		104
Term deposits reclassified		100		-
Share buy back from other entities		62		-
Business acquisitions		-		23
		175		201
Cash was applied to:				
Purchase of property, plant and equipment		190		95
Purchase of software		272		-
Investment in equity accounted joint venture		335		176
Investment in equity accounted associate		-		42
Purchase of business		18		20
Lending to third parties		5		30
Advances to related parties		-		876
		820		1,239
Net cash inflow (outflow) from investing activities		(645)		(1,038)
Financing activities				
Cash was provided from:				
Proceeds from issue of shares		-		1,136
Proceeds from issue of shares in iSell Pty Limited to non-controlling interests		146		466
		146		1,602
Cash was applied to:				
Dividends paid		378		-
Purchase of shares in iSell Pty Limited from non-controlling interests		576		-
Repayment of lease liabilities		762		415
Repayment of borrowings		441		350
Repayment of other borrowings		2		65
		2,159		830
Net cash inflow (outflow) from financing activities		(2,013)		772
Net increase / (decrease) in cash and cash equivalents held		(337)		2,395
Net foreign exchange differences		(26)		3
Cash and cash equivalents at beginning of the year		3,169		771
Cash and cash equivalents at end of the year		2,806		3,169

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Unaudited Consolidated Statement of Cash Flow for the year ended 30 June 2021

Cashflow Reconciliation

Reconciliation of net profit to net cash flows from operations:	30 June 2021		30 June 2020	
	12 mths	\$'000	15 mths	\$'000
Profit/(loss) for the period		770		1,359
Adjustments for:				
Depreciation on property plant and equipment		143		108
Depreciation on right-of-use assets		681		413
Amortisation on intangible assets		476		184
Net loss/(gain) on foreign exchange		(6)		(60)
Release of fit out loan		-		(19)
Impairment loss on trade receivables		118		24
Share of loss from equity accounted investments		130		276
Loan issued in exchange for services		-		(285)
Movements in working capital				
(Increase)/decrease in trade and other receivable		132		(1,629)
(Increase)/decrease in contract assets		(67)		(350)
(Increase)/decrease in income taxes receivable		(1)		1
Increase/(decrease) in trade and other payables		(233)		1,777
Increase/(decrease) in provisions		205		1,268
Increase/(decrease) in contract liabilities		373		1,284
(Increase)/decrease in deferred tax asset		(212)		(1,394)
Increase/(decrease) in deferred tax liabilities		(188)		814
Net working capital assumed on acquisition		-		(1,110)
Net cash inflow from operating activities		2,321		2,661

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Notes to Accompany the Unaudited Results Announcement for the year ended 30 June 2021

1 CHANGES IN ACCOUNTING POLICIES

(a) Changes in accounting policies

There have been no changes in accounting policies, all policies have been applied consistently over the current year. Please refer to the accounting policies contained within the audited financial statements for the year ended 30 June 2020.

(b) Critical accounting judgements and estimates

In the process of applying the Group's accounting policies and the application of accounting standards, a number of estimates and judgements have been made. The estimates and underlying assumptions are based on historical experience and adjusted for current market conditions and other factors, including expectations of future events that are considered to be reasonable under the circumstances. The most significant of these of relevance to the reported results for the 2021 year include:

Impairment testing - goodwill and other intangible assets The group's intangible assets have been assessed by management and allocated to the cash-generating units (CGU). The assessment of each CGU has not currently resulted in any impairment on intangible assets.

Deferred tax The Group has recognised a deferred tax asset on its statement of financial position as at the reporting date. Significant judgement is required in determining if the utilisation of deferred tax assets is probable. The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. To determine the future taxable profits, reference is made to the latest forecasts of future earnings of the Group and relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

2 SEGMENT INFORMATION - OPERATIONAL PERFORMANCE

The Group is organised into two reportable operating segments based on the business segments. These segments form the basis of internal reporting used by management and the Board of Directors to monitor and assess performance and assist with strategic decisions. The Board of Directors is the Group's chief operating decision maker (CODM). Management has determined the operating segments based on the information reviewed by the Board of Directors and the Chief Executive Officer for the purposes of allocating resources and assessing performance.

(a) Operational performance - Business Segments

	Revenue				Operating profit			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000
Enterprise Division	15,239		12,251		2,405		2,607	
iSell	865		169		(958)		49	
Corporate	9		-		(772)		(1,075)	
	16,113		12,420		675		1,581	
Equity earnings of associates and joint ventures					(130)		(276)	
Net interest expense					(174)		(39)	
Profit/(loss) before taxation					371		1,266	
Income Tax					399		93	
Net profit/(loss) attributable to shareholders					770		1,359	

(b) Operational performance - Geographical Segments

	Revenue				Operating profit			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000
New Zealand	4,517		6,324		438		826	
Australia	11,387		6,093		402		752	
EMEA*	107		2		(156)		2	
North America	4		1		(9)		1	
Asia	98		-		-		-	
	16,113		12,420		675		1,581	

* Europe, Middle East and Africa

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Notes to Accompany the Unaudited Results Announcement for the year ended 30 June 2021

2 SEGMENT INFORMATION - OPERATIONAL PERFORMANCE (CONTINUED)

(c) Interest, depreciation and amortisation

	Interest revenue				Interest expense				Depreciation and amortisation expense			
	30 June 2021		30 June 2020		30 June 2021		30 June 2020		30 June 2021		30 June 2020	
	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000	12 mths	\$'000	15 mths	\$'000
New Zealand		4		72		71		63		194		267
Australia		-		1		107		49		1,106		438
		4		73		178		112		1,300		705

3 SEGMENT INFORMATION - REVENUE

(a) Revenue streams

	30 June 2021	30 June 2020
	\$'000	\$'000
Revenue from software and licences	4,280	3,507
Revenue from services and support	9,934	7,836
Revenue from iSell	865	169
Revenue from hosting services	1,032	903
Revenue from other fees	2	5
	16,113	12,420

(b) Revenue by geographical location

	Revenue from software and licences	Revenue from services and support	Revenue from iSell	Revenue from hosting services	Revenue from other fees	Total
30 June 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Zealand	1,401	2,562	96	456	2	4,517
Australia	2,879	7,372	560	576	-	11,387
EMEA*	-	-	107	-	-	107
North America	-	-	4	-	-	4
Asia	-	-	98	-	-	98
	4,280	9,934	865	1,032	2	16,113

* Europe, Middle East and Africa

	Revenue from software and licences	Revenue from services and support	Revenue from iSell	Revenue from hosting services	Revenue from other fees	Total
30 June 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Zealand	1,788	4,074	11	449	2	6,324
Australia	1,719	3,762	155	454	3	6,093
EMEA*	-	-	2	-	-	2
North America	-	-	1	-	-	1
	3,507	7,836	169	903	5	12,420

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Notes to Accompany the Unaudited Results Announcement for the year ended 30 June 2021

4 SEGMENT INFORMATION - BALANCE SHEET

(a) Balance Sheet - Business Segments

	Total assets		Total liabilities	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
Enterprise Division	15,730	16,521	7,547	10,372
iSell	4,699	4,579	1,134	1,086
Corporate	2,224	4,632	181	505
	22,653	25,732	8,862	11,963
Inter-segment elimination	175	(2,425)	175	(2,425)
	22,828	23,307	9,037	9,538

(b) Balance Sheet - Geographical Locations

	Total assets		Total liabilities	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000
New Zealand	6,641	8,336	2,667	2,969
Australia	16,260	17,027	6,443	8,625
	22,901	25,363	9,110	11,594
Inter-segment elimination	(73)	(2,056)	(73)	(2,056)
	22,828	23,307	9,037	9,538

5 DIVIDENDS

Recognised and paid in the year to	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	cents per share	cents per share	\$'000	\$'000
Final dividend for the period ended 30 June 2020	2.00	-	318,018	-
Interim dividend for the period ended 30 June 2021	2.00	-	321,032	-
	4.00	-	639,050	-

On 24 August 2021 the Directors resolved to provide for a final dividend to be paid in respect of the period ended 30 June 2021. The dividend will be paid at a rate of 2.5 cents per share for all shares on issue at 7 September 2021. No imputation credits are available to be attached.