ENPRISE GROUP LIMITED
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 22 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

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off'' of amounts in the directors' report and financial statement. Amounts in the directors' report and financial statement have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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	319,167
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 were authorised for issue on the date below.

Lindsay Phillips
Chairman
30 June 2015

Mark Loveys
Director
30 June 2015

Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Enprise Group Limited

Report on the Financial Statements

Statement of Financial Position

As at 31 March 2015

	Note	Group		Parent	
		2015	2014	**2015**	2014
		$000	$000	**$000**	$000
ASSETS					
Current Assets					
Cash and cash equivalents	11	**379**	665	**163**	255
Trade and other receivables	12	**1,334**	1,189	**66**	42
Related party receivables	12	**-**	5	**389**	5
Term Deposit		**154**	154	**154**	154
Staff receivables		**26**	45	**26**	45
Total Current Assets		**1,893**	2,058	**798**	501
Non-Current Assets					
Investments in subsidiaries	13	**-**	-	**2,151**	2,075
Investments in equity accounted associate	14	**-**	16	**-**	16
Property, plant and equipment	15	**140**	157		-
Staff receivables		**12**	32	**12**	32
Intangible assets	16	**3,520**	1,946	**198**	153
Total Non-Current Assets		**3,672**	2,151	**2,361**	2,276
TOTAL ASSETS		**5,565**	4,209	**3,159**	2,777
LIABILITIES					
Current Liabilities					
Trade and other payables	17	**1,903**	1,492	**212**	226
Related party payables	17	**436**	121	**399**	47
Lock Finance – Loan		**19**	-	**-**	-
Provisions	18	**134**	162	**-**	-
Fit out – Loan		**15**	15	**-**	-
Total Current Liabilities		**2,507**	1,790	**611**	273
Non-Current Liabilities					
Fit out – loan		**64**	72	**-**	-
Total Non-Current Liabilities		**64**	72	**-**	-
TOTAL LIABILITIES		**2,571**	1,862	**611**	273

Statement of Financial Position (Cont)

As at 31 March 2015

	Note	Group		Parent	
		2015	2014	**2015**	2014
		$000	$000	**$000**	$000
EQUITY					
Equity attributable to equity holders of the parent					
Contributed equity	19	**2,823**	2,408	**2,823**	2,408
Accumulated profit		**171**	(61)	**(275)**	96
TOTAL EQUITY		**2,994**	2,347	**2,548**	2,504
TOTAL EQUITY AND LIABILITIES		**5,565**	4,209	**3,159**	2,777

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 30 June 2015:

Lindsay Phillips
Chairman
30 June 2015

Mark Loveys
Director
30 June 2015

Statement of Comprehensive Income

For the year ended 31 March 2015

	Note	Group		Parent	
		2015	2014	**2015**	2014
		$000	$000	**$000**	$000
Continuing operations					
Revenue					
Revenue		**6,965**	6,567	**-**	-
Other revenue	6	**31**	43	**13**	19
		6,996	6,610	**13**	19
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)	**(242)**	(144)
Travel expenses		**(161)**	(215)	**(10)**	-
Other operating expenses	7(a)	**(574)**	(804)	**(99)**	(68)
Finance expense		**(33)**	(24)	**(20)**	(4)
Net loss on foreign exchange		**(57)**	(44)		-
Depreciation & amortisation	7(c)	**(115)**	(123)		-
Profit / Loss from operations before income tax		**239**	(227)	**(358)**	(197)
Share of loss from equity accounted associate, net of tax	14	**(7)**	(4)	**(13)**	(4)
Profit / (loss) before tax		**232**	(231)	**(371)**	(201)
Income tax expense		**-**	-	**-**	-
Net profit / (loss) for the period		**232**	(231)	**(371)**	(201)
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)	**(371)**	(201)
Earnings per share attributable to the ordinary equity holders of the company:	10				
Basic earnings per share		**0.034**	(0.04)		
Diluted earnings per share		**0.037**	(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	Group		Parent	
		2015	2014	**2015**	2014
		$000	$000	**$000**	$000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		**7,679**	6,997	**-**	-
Payments to suppliers and employees (inclusive of GST)		**(7,049)**	(6,904)	**(401)**	(148)
Interest paid		**(33)**	(24)	**(20)**	-
Interest received		**21**	22	**13**	19
Tax refund / (paid)		**4**	-	**3**	-
Net cash flows used in operating activities	20	**622**	91	**(405)**	(129)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(26)**	(21)	**-**	-
Purchase of intangibles		**(783)**	(235)	**(45)**	(134)
Loans given to staff		**(47)**	(13)	**(47)**	(13)
Loans repaid by staff		**85**	75	**85**	75
Purchase of Global Bizpro		**(750)**	-	**-**	-
Proceeds for sale of associate		**20**	-	**20**	-
Investments in subsidiaries		**(120)**	-	**(120)**	-
Net cash flows from / (used in) investing activities		**(1,621)**	(194)	**(107)**	(72)
Cash flows from financing activities					
Encap Loan		**-**	100	**-**	-
Nightingale Partners Loan		**336**	-	**336**	-
Proceeds from issue of shares		**415**	-	**415**	-
Lock Finance		**19**	-	**-**	-
Insurance loan	17	**-**	(5)	**-**	(5)
Loans to related parties		**-**	-	**(352)**	-
Net receipts from related parties		**-**	9	**21**	-
Net cash flows from financing activities		**770**	104	**420**	(5)
Net increase/(decrease) in cash and cash equivalents		**(229)**	1	**(92)**	(206)
Net foreign exchange differences		**(57)**	(44)	**-**	-
Cash and cash equivalents at beginning of period		**665**	708	**255**	461
Cash and cash equivalents at end of period	11	**379**	665	**163**	255

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

Statement of Changes in Equity

Group	Share capital $000	Retained earnings $000	Total equity $000
			2014
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**

Group	Share capital $000	Retained earnings $000	Total equity $000
			2015
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**

Parent	Share capital $000	Retained earnings $000	Total equity $000
			2014
Balance at 1 April 2013	2,408	297	**2,705**
Net profit / (loss) for the period	-	(201)	**(201)**
Other comprehensive income	-	-	-
Total other comprehensive income	-	-	-
Total comprehensive income for the period	-	(201)	**(201)**
Balance at 31 March 2014	2,408	96	**2,504**

Parent	Share capital $000	Retained earnings $000	Total equity $000
			2015
Balance at 1 April 2014	2,408	96	**2,504**
Net profit / (loss) for the period	-	(371)	**(371)**
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**
Total other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Balance at 31 March 2015	2,823	(275)	**2,548**

Notes to the Financial Statements

For the year ended 31 March 2015

1 Corporate information

The financial statements of Enprise Group Limited and its subsidiaries ("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.

Enprise Group Limited ("the Parent") 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

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(a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand, the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. The financial statements have been prepared on a historical cost basis.

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

(b) Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice. The consolidated 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).

(c) 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 2017	Application of a consistent approach to classifying financial assets, and the use of one impairment method.	1 April 2017

(d) Basis of consolidation

The consolidated financial statements ("the Group") of Enprise Group Limited comprise the financial statements 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.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

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

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.

(e) Investment in subsidiaries – refer note 13

Investments in subsidiaries held by Enprise Group Limited ("the Parent") 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 parent 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.

(f) Investment in equity accounted associates – refer note 14

Associates are those entities in which the Parent has significant influence, but not control or joint control, over the financial and operating policies. Significant influence is presumed to exist when the Parent 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 Parent'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 Parent, from the date that significant influence commences until the date that significant influence ceases.

When the Parent'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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) Property, plant and equipment – refer note 15

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.

(l) Leases – refer note 23

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.

(m) Intangibles – refer note 16

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 16.

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.

(n) Trade and other payables – refer note 17

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.

(o) Provisions and employee benefits – refer note 18

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.

(p) 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.

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.

(q) 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 are not material, and have not been recognised as a deferred tax asset.

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.

(r) 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.

(s) 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.

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%

(t) Contributed equity – refer note 19

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	2014	**2015**	2014
	$000	$000	**$000**	$000
Group				
+1% (100 basis points)	**11**	**9**	**11**	**9**
- 1% (100 basis points)	**(11)**	**(9)**	**(11)**	**(9)**
Parent				
+1% (100 basis points)	**8**	**6**	**8**	**6**
- 1% (100 basis points)	**(8)**	**(6)**	**(8)**	**(6)**

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:

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Loans and receivables	1,372	1,271	104	124
Cash and cash equivalents	379	665	163	255
Term deposits	154	154	154	154
Total	**1,905**	**2,090**	**421**	**533**

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:

	Group	
	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	1,903	1,903	1,903		-	-	-
Related party payables	436	436	112	324			
Fit out – loan	79	79	8	7	14	42	8
Total	**2,418**	**2,418**	**2,023**	**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**

Parent – 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	212	212	212		-	-	-
Related party payables	399	399		399	-	-	-
Total	**611**	**611**	**212**	**399**	**-**	**-**	**-**

Parent – 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	226	226	226	-	-	-	-
Related party payables	47	47	-	47	-	-	-
Total	**273**	**273**	**226**	**47**	**-**	**-**	**-**

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.

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	6,965
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	693	-				693
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

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						1,052
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)

6 Other revenue

	Group 2015 $000	Group 2014 $000	Parent 2015 $000	Parent 2014 $000
Interest income	**21**	22	**13**	19
Rent income	**10**	21	**-**	-
	31	43	**13**	19

7 Expenses

	Group 2015 $000	Group 2014 $000	Parent 2015 $000	Parent 2014 $000
(a) Other operating expenses				
Communications	**78**	84	**-**	-
Premises (operating lease)	**216**	204	**-**	-
Sub-Contractors	**24**	331	**-**	-
Other	**256**	185	**99**	68
	574	804	**99**	68
(b) Professional fees				
Directors fees	**65**	65	**65**	65
Accountancy	**9**	3	**-**	-
Auditor’s remuneration (See note 27)	**77**	78	**77**	78
Legal	**109**	1	**100**	1
	260	147	**242**	144
(c) Depreciation and amortisation				
Depreciation	**43**	44	**-**	-
Amortisation	**72**	79	**-**	-
	115	123	**-**	-
(d) Employee benefits expense				
Wages and salaries	**3,243**	3,154	**-**	-
Other employee benefits expense	**60**	108	**-**	-
	3,303	3,262	**-**	-

8 Income tax

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
(a) Income tax expense				
Statement of comprehensive income				
Current income tax	**-**	-	**-**	-

Prior year income tax expense relates to discontinued operations (See Note 20).

	Group		Parent	
	2015	2014	**2015**	2014
(b) Reconciliation between tax at statutory rate and tax expense in the statement of comprehensive income				
Profit (Loss) before tax	**232**	(231)	**(371)**	(201)
Statutory tax at 15% to 35% thereon	**65**	(68)	**(111)**	(61)
Relating to origination and reversal of temporary differences		(16)	**-**	3
Non-deductible items	**34**	1	**34**	79
Tax losses forfeited on acquisition of subsidiaries	**-**	-	**-**	-
Prior year tax losses understated	**-**	(19)	**-**	(15)
Prior year losses to be carried forward	**(3,111)**	(3,009)	**(2,969)**	(3,005)
Tax losses available to be carried forward to future periods not recognised at 28%	**(3,012)**	3,111		2,969
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	**(10,757)**	(11,062)		(10,587)

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.

	Parent	
	2015	2014
	$000	$000
(d) Imputation credit balance		
The amount of imputation credits available for the subsequent year are:		
Balance at beginning of year	**16**	31
Add: Income tax payments during the year	**-**	-
RWT on interest received	**3**	3
Imputation credits attached to dividends paid during the year	**-**	-
	19	34
Less: Imputation credits attached to dividends paid during the year	**-**	-
Tax refund received	**(3)**	(18)
Other debits	**-**	-
	(3)	(18)
Balance at end of year	**16**	16
Balance at end of year available to the shareholders of the parent were:		
Through direct shareholding in the parent	**16**	16
	16	16

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:

	Group	
	2015	2014
	$000	$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**	2014
	Thousands	Thousands
Weighted average number of ordinary shares for basic earnings per share	**6,791**	5,813
Effect of dilution:		
Share options	**-**	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**6,358**	5,813

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

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Cash at bank and in hand	**379**	665	**163**	255
Short-term deposits	**-**	-	**-**	-
	379	665	**163**	255

12 Current assets - trade and other receivables

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Trade receivables	**1,330**	1,201	**-**	-
Allowance for impairment loss (a)	**(66)**	(126)	**-**	-
Other receivables	**70**	114	**66**	42
Carrying amount of trade and other receivables	**1,334**	1,189	**66**	42
Related party receivables (b)				
Subsidiaries	**-**	-	**389**	-
Associate	**-**	5	**-**	5
	-	5	**389**	5

(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:

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

At 31 March 2015, the ageing 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
2015	Parent	-	-	-	-	-	-
2014	Group	1,201	636	184	39	216	126
2014	Parent	-	-	-	-	-	-

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

(b) Related Party Receivables

For terms and conditions of related party receivables refer to note 21.

(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 subsidiaries

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Investments in controlled entities (note 21)				
– at cost	**-**	-	**2,151**	2,075
	-	-	**2,151**	2,075

14 Non-current assets – investments in equity accounted associate

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

The Parent's equity-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. The financial information for 2Cloud.biz Limited in the table below only relates to the period from 1 November 2012 to 31 March 2015. The Group sold it's 33% share in 2Cloud.biz Limited on 30 April 2014.

	2015	**2014**
	$000	**$000**
Financial position at 31 March 2015		
Current assets	-	34
Non-current assets	-	1
Total assets	-	35
Current liabilities	-	43
Non-current liabilities	-	15
Total liabilities	-	58
Net assets	-	(23)
Ownership	0%	33%
Group's share of net assets	-	(7)
Goodwill on acquisition	-	23
Carrying value at 31 March 2015	**-**	**16**
Financial performance for the period ended 31 March 2015		
Income for the period		132
Expense for the period		(145)
Loss and total comprehensive loss for the period	(21)	(13)
Ownership	33%	33%
Share of loss for the period	**7**	**4**

15 Non-current assets – property, plant and equipment

Group	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	(124)	(77)	(68)	**(269)**
Net carrying amount	30	94	16	**140**

Group	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	-	-	-	-
Assumed with purchase of Business				
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 – property, plant and equipment (cont)

Parent	**Computer equipment $000**	**Furniture and fittings $000**	**Office equipment $000**	**Total $000**
Year ended 31 March 2015				
Cost	-	-	-	-
Accumulated depreciation and impairment				
Carrying value at the beginning of the year				
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation charge for the year	-	-	-	-
Carrying value at the end of the year	-	-	-	-
At 31 March 2015				
Cost	-	-	-	-
Accumulated depreciation and impairment	-	-	-	-
Net carrying amount	-	-	-	-

Parent	**Computer equipment $000**	**Furniture and fittings $000**	**Office equipment $000**	**Total $000**
Year ended 31 March 2014				
Cost	-	-	-	-
Accumulated depreciation and impairment				
Carrying value at the beginning of the year				
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation charge for the year	-	-	-	-
Carrying value at the end of the year	-	-	-	**-**
At 31 March 2014				
Cost	-	-	-	**-**
Accumulated depreciation and impairment	-	-	-	**-**
Net carrying amount	-	-	-	**-**

16 Non-current assets – intangible assets

Group	**Goodwill $000**	**Software licences $000**	**Total $000**
Year ended 31 March 2015			
Cost	1,518	1,055	**2,338**
Accumulated amortisation and impairment	-	(627)	**(392)**
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 Business	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**

Group	**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**

16 Non-current assets – intangible assets (cont)

Parent	Goodwill $000	Software licences $000	Total $000
Year ended 31 March 2015			
Cost	-	153	**153**
Accumulated amortisation and impairment	-	-	**-**
Carrying value at beginning of year	-	153	**153**
Additions	-	45	**45**
Impairment	-	-	**-**
Amortisation charge for the year	-	-	**-**
Carrying value at end of year	-	198	**198**
At 31 March 2015			
Cost	-	198	**198**
Accumulated amortisation and impairment	-	-	**-**
Net carrying amount	-	198	**198**

Parent	Goodwill $000	Software licences $000	Total $000
Year ended 31 March 2014			
Cost	-	19	**19**
Accumulated amortisation and impairment	-	-	**-**
Carrying value at beginning of year	-	19	**19**
Additions	-	134	**134**
Impairment	-	-	**-**
Amortisation charge for the year	-	-	**-**
Carrying value at end of year	-	153	**153**
At 31 March 2014			
Cost	-	153	**153**
Accumulated amortisation and impairment	-	-	**-**
Net carrying amount	-	153	**153**

Amortisation expense has not been recognised in both the Parent company and Group for internally developed software which is still under development as at 31 March 2015. The value of this software in the Parent and Group are $198,257 and $819,955 respectively.

(a) Description of the Group's intangible assets

(i) 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.

17 Current liabilities - trade and other payables

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Trade payables	**624**	583	**87**	56
Payroll liabilities	**89**	75	**-**	-
Insurance loan	**35**	35	**35**	35
Other payables	**1,155**	799	**90**	135
Carrying amount of trade and other payables	**1,903**	1,492	**212**	226
Related party payables (a)				
Subsidiaries	**-**	-	**63**	47
Other related parties	**436**	121	**336**	-
	436	121	**399**	47

(a) Related party payables

For terms and conditions relating to related party payables refer to note 21.

(b) Fair value

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

(c) Foreign exchange and liquidity risk

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

18 Current liabilities – provisions

Movements in the provisions accounts were as follows:

	Group		Parent	
	2015	2014	**2015**	**2014**
	$000	$000	**$000**	**$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)	**-**	**-**
At 31 March	**134**	162	**-**	**-**

These entitlements are due and payable, it is expected that they will be paid within the following 12 month period

19 Contributed equity

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

(a) Ordinary shares

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

(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.

20 Statement of cash flows reconciliation

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Reconciliation of net profit to net cash flows from operations				
Net profit / (loss)	**232**	(231)	**(371)**	(201)
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)	**(8)**	31
(Decrease)/increase in trade and other payables	**358**	233	**(26)**	41
Net cash from operating activities	**622**	91	**(405)**	(129)

21 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	**-**	-
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**	-	**120**	-
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	**-**	-

(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 22.

21 Related party disclosure (cont)

(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 17 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	-	-	-	-

Related Party		Sales to related parties $000	Purchases from related parties $000	Amounts owed by related parties $000	Amounts owed to related parties $000
Parent					
2Cloud.biz Limited (Associate)	**2015**	**-**	**-**	**-**	**-**
	2014	-	-	5	-
Enprise Solutions Limited (Subsidiary)	**2015**	**-**	**-**	**157**	**-**
	2014	-	7	-	7
Datagate Innovation Limited (Subsidiary)	**2015**	**-**	**-**	**232**	**-**
	2014	-	-	-	-
Enprise Australia Pty Limited (Subsidiary)	**2015**	-	**-**	-	**63**
	2014	**-**	-		40
Nightingale Partners (Director)	**2015**	**-**	**27**	**-**	**336**
	2014	-	-	-	-

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 obtained 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.

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%.

(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.

22 Key management personnel

Compensation for key management personnel

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

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	**3**	3
110,001 – 120,000	**5**	1
120,001 – 130,000	**1**	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	**-**	-

23 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:

	Group		Parent	
	2015	2014	**2015**	2014
	$000	$000	**$000**	$000
Within one year	**146**	181	**120**	120
After one year but not more than five years	**484**	502	**480**	480
After more than five years	**30**	150	**30**	150
Total minimum lease payments	**660**	833	**630**	750

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

24 Contingencies

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

25 Events after the reporting date

There were no known material subsequent events.

26 Auditor's remuneration

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

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

27 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	-	2,056	-	-	**2,056**
Related party payables	-	436	-	-	**436**
Fit-out loan	-	-	-	79	**79**
Total	-	2,492	-	79	**2,571**

27 Financial instruments classification (Cont)

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**

Parent 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	163	-	-	-	**163**
Trade and other receivables	-	66	-	-	**66**
Related party receivables	-	-	-	-	**-**
Staff receivables	-	38	-	-	**38**
Term deposit	-	-	-	154	**154**
Total	163	104		154	**421**
Financial Liabilities:					
Trade and other payables	-	212	-	-	**212**
Related party payables	-	399	-	-	**399**
Fit-out loan	-	-	-	-	**-**
Total	-	611	-	-	**611**

Parent 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	255	-	-	-	**255**
Trade and other receivables	-	42	-	-	**42**
Related party receivables	-	5	-	-	**5**
Staff receivables	-	77	-	-	**77**
Term deposit	-	-	-	154	**154**
Total	255	124	-	154	**533**
Financial Liabilities:					
Trade and other payables	-	226	-	-	**226**
Related party payables	-	47	-	-	**47**
Fit-out loan	-	-	-	-	**-**
Total	-	273	-	-	**273**

28 Comparative figures

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

29 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.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

In thousands of New Zealand Dollars	**2013 '000**
Cash	2,100

Identifiable assets acquired and liabilities assumed

In thousands of New Zealand Dollars	**Note**	**2013 '000**
Property, plant and equipment	15	196
Intangible assets	16	221
Investment in associates	14	22
Trade receivables		1,155
Cash and cash equivalents		277
Trade and other payables		(1,313)
Total identifiable net assets		558

Goodwill

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

In thousands of New Zealand Dollars	**Note**	**2013**
Total consideration transferred		2,100
Fair value of identifiable net assets		558
Goodwill	16	1,542

The goodwill is attributable mainly to the skills, intellectual property and technical talent of Enprise Solution Limited's work force, and the synergies expected to be achieved from integrating the company's into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Acquisition-related costs
The Group incurred acquisition-related costs of $32 thousand related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income for the year ended 31 March 2013.

Acquisition of associate – discontinued operation
On 1 November 2012 the Group also acquired 33.3% of 2Cloud.biz Limited. The effects of the acquisition of 33% of 2Cloud.biz are stated in Note 14. Enprise sold its 33.33% equity stake in the cloud provider on 1 May 2014.

Acquisition of Global Bizpro
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.
A total of 142 Global Bizpro MYOB Exo customers and key Global Bizpro support staff and contractors were acquired by the group. The acquisition will add around $1.6 million to Enprise Group annual revenues, around $762 thousand of contracted recurring revenue per annum in licence and support service revenue and approximately $300 thousand to annual net earnings.

Corporate Information

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ABN (Australian Business Number)	41 125 825 792

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

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Lawyer	Hudson Gavin Martin, Auckland, New Zealand Simpsons, Sydney, Australia
Principal Bankers	ASB Bank Limited, Auckland, New Zealand