ENPRISE GROUP LIMITED
FINANCIAL STATEMENTS
MARCH 2013

Contents

Directors' Report

The Directors are pleased to submit to shareholders their report and financial statements for the year ended 31 March 2013.

Principal Activities

Enprise Group Limited currently has 2 operating divisions ;

- Enprise Solutions is a solution provider for MYOB Exo software in Australia and New Zealand.
- Enprise Software is a Software Solution Provider for SAP Business One, developing and selling add on software through the SAP Business One channel globally.

Significant Changes in the State of Affairs

The company acquired 100% of Enprise Solutions Limited, 100% of Enprise Australia Pty Limited and 33.3% of 2Cloud.biz Limited on 1 November 2012.

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 Robert Ellis resigned on 10 April 2012.
Mr Aaron Ridgway resigned on 10 April 2012
Mr Christian Bernecker was appointed to the Board on 10 April 2012
Mr George Cooper was appointed to the Board on 10 April 2012

Remuneration of Directors

The remuneration of the Directors for the year ended 31 March 2013 has been disclosed in Note 7(b) of this Report.

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 report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Review of Operations and Outlook

Enprise Group having sold the business of Datasquirt and completed a share buy back has invested the reserves in Enprise Solutions Limited, Enprise Australia Pty Limited and a one third share in 2Cloud.biz Limited.

The financial statements are signed for and on behalf of the Board, and were authorised for issue on the date below.

Christian Bernecker	**Mark Loveys**
Chairman	Director
31 May 2013	31 May 2013

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 2013

	Note	Consolidated		Parent	
		2013	2012	**2013**	2012
		$000	$000	**$000**	$000
ASSETS					
Current Assets					
Cash and cash equivalents	11	**708**	3,142	**461**	3,142
Trade and other receivables	12	**1,059**	17	**63**	17
Advances to subsidiaries		**-**	-	**10**	-
Total Current Assets		**1,767**	3,159	**534**	3,159
Non-current Assets					
Investments in subsidiaries	13	**-**	-	**2,097**	-
Property, plant and equipment	14	**180**	-	**-**	-
Term Deposit		**154**	-	**154**	
Advances		**144**	-	**144**	-
Intangible assets	15	**1,834**	-	**19**	-
Total Non-current Assets		**2,312**	-	**2,414**	-
TOTAL ASSETS		**4,079**	3,159	**2,948**	3,159
LIABILITIES					
Current Liabilities					
Trade and other payables	16	**1,280**	108	**214**	108
Provisions	17	**121**	-	**-**	-
Advances from subsidiaries		**-**	-	**27**	-
Total Current Liabilities		**1,401**	108	**241**	108
Non-current Liabilities					
Rental Incentive		**100**	-	**-**	-
Total Non-Current Liabilities		**100**	108	**-**	108
TOTAL LIABILITIES		**1,501**	108	**241**	108
EQUITY					
Equity attributable to equity holders of the parent					
Contributed equity	18	**2,408**	2,408	**2,408**	2,408
Accumulated profit	19	**170**	643	**299**	643
TOTAL EQUITY		**2,578**	3,051	**2,707**	3,051
TOTAL EQUITY AND LIABILITIES		**4,079**	3,159	**2,948**	3,159

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 31 May 2013:

Christian Bernecker	Mark Loveys
Chairman	Director
31 May 2013	31 May 2013

Statement of Comprehensive Income

For the year ended 31 March 2013

	Note	Consolidated		Parent	
		2013	2012	**2013**	2012
		$000	$000	**$000**	$000
Revenue					
Revenue		**2,380**	2,447	**-**	1,567
Other revenue	6	**87**	16	**68**	16
Net gain on foreign exchange		**-**	-	**-**	-
		2,467	2,463	**68**	1,583
Development and implementation expenses		**-**	(21)	**-**	(21)
Hosting and connectivity expenses		**-**	(305)	**-**	(186)
Transaction costs		**-**	(289)	**-**	(71)
Commissions		**-**	(146)	**-**	(71)
Cost of Goods Sold		**(755)**	-	**-**	-
Advertising and Marketing expense		**(44)**	(88)	**-**	(67)
Employee benefits expense	7(d)	**(1,420)**	(1,646)	**-**	(1,304)
Professional fees	7(b)	**(131)**	(319)	**(126)**	(318)
Travel expenses		**(78)**	(87)	**-**	(46)
Market support	21(d)	**-**	-	**-**	-
Other operating expenses	7(a)	**(329)**	(299)	**(214)**	(113)
Net loss on foreign exchange		**(121)**	(200)	**(84)**	(183)
Depreciation & impairment	7(c)	**(73)**	(17)	**-**	(15)
Loss from operations before income tax		**(484)**	(954)	**(356)**	(812)
Non-operating Revenue	31	**-**	15,893	**-**	15,893
Income tax expense	8	**(12)**	(4)	**(12)**	-
Profit / (Loss) after income tax		**(472)**	14,953	**(344)**	15,081
Net profit (loss) for the period		**(472)**	14.935	**(344)**	15,081
Total comprehensive income/(loss) for the period		**(472)**	14,935	**(344)**	15,081
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:	10				
Basic earnings per share		**(0.09)**	0.47		
Diluted earnings per share		**(0.09)**	0.47		

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 2013

	Note	Consolidated		Parent	
		2013	2012	**2013**	2012
		$000	$000	**$000**	$000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		**2,628**	3,177	**-**	2,359
Payments to suppliers and employees (inclusive of GST)		**(2,580)**	(4,075)	**(323)**	(2,897)
Interest paid		**(1)**	(3)	**-**	(3)
Interest received		**70**	9	**68**	9
Tax paid		**12**	(4)	**12**	-
Receipt of government grants		**-**	7	**-**	7
Net cash flows used in operating activities	20	**129**	(780)	**(243)**	(525)
Cash flows from investing activities					
Purchase of property, plant and equipment		**(9)**	(19)	**-**	(4)
Purchase of intangibles		**(80)**	(9)	**(18)**	(9)
Net cash flows used in investing activities		**(89)**	(28)	**(18)**	(13)
Cash flows from financing activities					
Share Buy Back		**-**	(12,737)	**-**	(12,737)
Sale of Business		**-**	15,893	**-**	15,893
Loans		**(99)**	-	**(99)**	-
Intercompany loans		**-**	-	**17**	-
Purchase of business		**(2,100)**	-	**(2,100)**	-
Net cash flows from financing activities		**(2,199)**	3,156	**(2,182)**	3,156
Net increase/(decrease) in cash and cash equivalents		**(2,159)**	2,348	**(2,443)**	2,624
Net foreign exchange differences		**(121)**	(182)	**(84)**	(183)
Cash and cash equivalents at beginning of period		**3,142**	976	**3,142**	701
Cash and cash equivalents at end of period		**862**	3,142	**615**	3,142

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

Statement of Changes in Equity

For the year ended 31 March 2013

Consolidated	Note	Share capital $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Retained earnings $000	2012 Total equity $000
Balance at 1 April 2011		11,850	-	(18)	(10,997)	**835**
Net profit for the period		-	-	-	14,935	**14,953**
Other comprehensive income						
Movement in translation reserve		-	-	18	-	**18**
Total other comprehensive income		-	-	18	-	**18**
Total comprehensive income for the period		-	-	18	14,935	**14,953**
Transactions with owners, recorded directly in equity						
Share Buy Back		(9,442)	-	-	-	**(9,442)**
Loss on Share Buy Back		-	-	-	(3,295)	**(3,295)**
Balance at 31 March 2012	19	2,408	-	-	643	**3,051**

Consolidated	Note	Share capital $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Retained earnings $000	2013 Total equity $000
Balance at 1 April 2012		2,408	-	-	643	**3,051**
Net profit (loss) for the period		-	-	-	(472)	**(472)**
Other comprehensive income						
Movement in translation reserve		-	-	-	-	**-**
Total other comprehensive income		-	-	-	-	**-**
Total comprehensive income for the period		-	-	-	(472)	**(472**
Transactions with owners, recorded directly in equity						
Balance at 31 March 2013	19	2,408	-	-	171	**2,579**

Parent	Note	Share capital $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Retained earnings $000	2012 Total equity $000
Balance at 1 April 2011		11,850	-	-	(11,144)	**706**
Net loss for the period		-	-	-	15,081	**15,081**
Other comprehensive income						
Movement in translation reserve		-	-	-	-	**-**
Investment in subsidiary impairment loss		-	-	-	-	**-**
Total other comprehensive income		-	-	-	-	**-**
Total comprehensive income for the period		-	-	-	15,081	**15,081**
Transactions with owners, recorded directly in equity						
Share Buy Back		(9,442)	-	-	-	**(9,442)**
Loss on Share Buy Back		-	-	-	(3,294)	**(3,294)**
Balance at 31 March 2012	19	2,408	-	-	643	**3,051**

Parent	Note	Share capital $000	Employee equity benefits reserve $000	Foreign currency translation reserve $000	Retained earnings $000	2013 Total equity $000
Balance at 1 April 2012		2,408	-	-	643	**3,051**
Net profit (loss) for the period		-	-	-	(344)	**(344)**
Other comprehensive income						
Movement in translation reserve		-	-	-	-	**-**
Total other comprehensive income		-	-	-	-	**-**
Total comprehensive income for the period		-	-	-	(344)	**(344)**
Balance at 31 March 2013	19	2,408	-	-	299	**2,707**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 31 March 2013

1 Corporate information

The financial statements of Enprise Group Limited (the Company) for the year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 31 May 2013.

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

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 and 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. They comply with New Zealand equivalents to International Financial Reporting Standards, and other applicable financial reporting standards, as appropriate for profit-oriented entities. The financial statements 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 2013. 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 2013	Application of a consistent approach to classifying financial assets, and the use of one impairment method.	1 April 2013
Amendments to NZ IAS 12	Income Taxes	The amendment introduces an exception to current measurement principles based on the manner the manner of recovery in paragraph 52 of NZ IAS 12 for investment property measured using the fair value model in accordance with NZ IAS 40 Investment Property.	1 January 2012	Application of measurement principles based on the manner of recovery of the value of an investment property.	1 April 2012
Amendments to NZ IFRS 7	Financial Instruments: Disclosures – Transfer of Financial Assets	The amendments require additional disclosures about transfer of financial assets to enable users of financial statements, • to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities; and • to evaluate the nature of and the risks associated with, the entity's continuing involvement in derecognised financial assets	1 July 2011	Additional disclosures about the transfer of financial assets to be made.	1 April 2012
Improvements to NZ IFRS 2010 – NZ IAS 1	Presentation of Financial Statements	The amendments clarify the presentation of changes in equity arising from transactions recognised in other comprehensive income.	1 January 2011	Changes in equity arising from transactions recognised in other comprehensive income may be presented either in the statement of changes in equity or in the notes.	1 April 2011

(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 Group 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 Group.

Investments in subsidiaries held by Enprise Group Limited are accounted for at cost in the separate financial statements of the parent entity.

(e) 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.

(f) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of Enprise Group Limited is New Zealand dollars ($). The subsidiaries' 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 ($)	New Zealand dollars ($)
Datasquirt UK Limited	British pounds (£)	New Zealand dollars ($)
Enprise Solutions Limited	New Zealand dollars ($)	New Zealand dollars ($)
Datasquirt LLC	United States dollars ($)	New Zealand dollars ($)
Datasquirt AG	Euro (€)	New Zealand dollars ($)

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.

(g) Cash and cash equivalents - refer note 11

Cash and cash equivalents in the balance sheet comprise 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 Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(h) 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.

(i) Property, plant and equipment - refer note 14

Plant and equipment is 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 - over 3 to 5 years
Furniture and fittings - over 5 to 10 years
Phones – over 2 to 5 years

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.

(j) Leases - refer note 24

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.

(k) Intangibles - refer note 15

Intangibles are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. See note 15.

Internally generated intangible assets are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Research and development costs

Research costs are expensed as incurred.

(l) Trade and other payables - refer note 16

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

(m) Provisions and employee benefits - refer note 17

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

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

Employee leave benefits

Wages, salaries, annual leave

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

(n) Share-based payment transactions - refer note 23

Equity settled transactions

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black Scholes option pricing model, further details of which are given in note 23.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of DSQ Holdings Limited if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the income statement is the product of:

i. the grant date fair value of the award;
ii. the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and
iii. the expired portion of the vesting period.

The charge to the income statement for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (see note 10).

(o) Revenue recognition - refer note 6

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

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) License Fees and Royalties

Fees and royalties paid for the use of an entity's assets, such as software, are recognised in accordance with the substance of the agreement. An assignment of rights for a non-refundable fee under a non-cancellable contract which permits the licensee to exploit those rights freely and where Enprise Group Limited has no obligations subsequent to delivery of software under the licensing agreement, is recognised as a sale.

(p) 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, DSQ Holdings Limited 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 Cash Flow Statement on a gross basis and 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.

(q) Government grants

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grants are awarded on a 50% cost sharing basis between NZTE and The Group, and are only reimbursed on costs actually already incurred by the Group.

The grants recognised have no outstanding terms and conditions and are not credited directly to shareholders' equity.

(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

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Enprise Group Limited conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(t) Contributed equity - refer note 18

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

3 Financial risk management objectives and policies

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

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

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

Risk exposures and responses

Interest rate risk

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

The local operational bank accounts do not earn interest.

At 31 March 2013, 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)**	
	2013 $000	2012 $000	**2013 $000**	2012 $000
Consolidated				
+1% (100 basis points)	**7**	**7**	**7**	**7**
- 1% (100 basis points)	**(7)**	**(7)**	**(7)**	**(7)**
Parent				
+1% (100 basis points)	**7**	**7**	**7**	**7**
- 1% (100 basis points)	**(7)**	**(7)**	**(7)**	**(7)**

The sensitivity is lower in 2012 than in 2011 because of a decrease in the level of funds on deposit.

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 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.

Liquidity risk

The Group manages liquidity risk by closely monitoring working capital commitments, primarily trade receivables and trade payables. All payables are payable within 30 days.

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.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the positive intention and ability to hold to maturity.

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.

Recovery of deferred tax assets

Deferred tax assets, including those arising from recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

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.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black Scholes model, with the assumptions detailed in note 23. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

5 Segment information

As the Group is focused on the development, distribution and sales of the core software product CONTACT along with associated services, there is effectively one business segment. The Group's risks and returns are affected predominantly by differences in the economic environment each subsidiary operates in, so the Group's primary segment reporting format is geographic segments.

The geographic segments are described in the table below:

Legal Entity	**Location**	**Geographic region**
Enprise Group Limited *(Head Office)*	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 and South-East Asia
Datasquirt UK Limited *(Closed)*	England	United Kingdom and Ireland
Datasquirt LLC *(Closed)*	United States	United States and Canada
Datasquirt AG *(Closed)*	Germany	Germany

Geographic segments

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

Year ended 31 March 2013	New Zealand $000	Australia $000	Asia $000	North America $000	EMEA $000	TOTAL $000
Revenue	1,340	913	21	62	44	2,380
Other income	17	-	-	-	-	17
Total segment revenue	1,357	913	21	62	44	2,397
Inter-segment elimination						-
Total consolidated revenue						2,397
Interest received	70	-	-	-	-	70
Inter-segment elimination						-
Total consolidated interest received						70
Net profit	(327)	(157)	-	-	-	(484)
Inter-segment elimination						-
Total consolidated loss						(484)
Investment in subsidiary impairment loss	-	-	-	-	-	-
Inter-segment elimination						-
Total consolidated investment in subsidiary impairment loss						-
Depreciation	73	-	-	-	-	73
Capital expenditure	89	-	-	-	-	89
Segment assets – current	1,038	356	-	-	-	1,767
Segment assets – non-current	2,312	-	-	-	-	2,312
Inter-segment elimination						-
Total consolidated assets						4,079
Liabilities	1,138	363	-	-	-	1,501
Inter-segment elimination						-
Total consolidated liabilities						1.501

*EMEA (Europe, Middle East and Africa)

Year ended 31 March 2012	New Zealand $000	Australia $000	United Kingdom $000	United States $000	Germany $000	TOTAL $000
Revenue	1,567	349	531	-	-	2,447
Other income	16	-	-	-	-	16
Total segment revenue	1,583	349	531	-	-	2,463
Inter-segment elimination						-
Total consolidated revenue						2,463
Interest received	9	-	-	-	-	9
Inter-segment elimination						-
Total consolidated interest received						9
Net loss	15,081	154	(300)	-	-	14,935
Inter-segment elimination						-
Total consolidated profit						14,935
Investment in subsidiary impairment loss	-	-	-	-	-	-

Inter-segment elimination						-
Total consolidated investment in subsidiary impairment loss						-
Depreciation	15	-	2	-	-	17
Capital expenditure	13	-	15	-	-	28
Segment assets – current	3,159	-	-	-	-	3,159
Segment assets – non-current	-	-	-	-	-	-
Inter-segment elimination						-
Total consolidated assets						2,364
Liabilities	108	-	-	-	-	108
Inter-segment elimination						-
Total consolidated liabilities						108

6 Other revenue

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Government grants	**-**	7	**-**	7
Interest	**70**	9	**68**	9
Rent Received	**17**	-	**-**	-
Management fee	**-**	-	**-**	-
	87	16	**68**	16

Government grants relating to market development have been claimed during the year and recorded at fair value. There are no unfulfilled conditions or contingencies attaching to the grants.

7 Expenses

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
(a) Other operating expenses				
Communications	**37**	69	**-**	44
Premises (operating lease)	**71**	54	**-**	37
Sub Contractors	**55**	-	**-**	-
Other	**166**	176	**152**	32
	329	299	**152**	113
(b) Professional fees				
Directors fees	**27**	92	**27**	92
Consultancy	**-**	-	**-**	-
Accountancy	**76**	119	**71**	118
Legal	**28**	108	**28**	108
	131	319	**126**	318
(c) Depreciation, impairment and amortisation included in income statement				
Depreciation	**25**	16	**-**	14
Amortisation	**48**	1	**-**	1
	73	17	**-**	15
(d) Employee benefits expense				
Wages and salaries	**1,379**	1,517	**-**	1,205
Other employee benefits expense	**41**	129	**-**	99
	1,420	1,646	**-**	1,304

8 Income tax

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
(a) Income tax expense				
Statement of comprehensive income				
Current income tax	**(12)**	(4)	**(12)**	-
(b) Reconciliation between tax at statutory rate and tax expense in the statement of comprehensive income				
Profit (Loss) before tax	**(484)**	14,935	**(344)**	15,081
Statutory tax at 15% to 35% thereon	**(136)**	(192)	**(96)**	(192)
Relating to origination and reversal of temporary differences	**-**	-	**-**	26
Non-deductible items	**-**	128	**-**	128
Non-refundable tax credit written off	**-**	-	**-**	-
Capital Gain on sale of business	**-**	(15,893)	**-**	(15,893)
Adjustment in respect of current tax in previous years	**-**	-	**-**	-
Prior year losses to be carried forward	**(2,896)**	(2,704)	**(2,896)**	(2,704)
Tax losses available to be carried forward to future periods not recognised at 28%	**-**	2,704	**-**	2,704
Impact of tax rate change to 28%	**-**	-	**-**	-
Income tax expense reported in the statement of comprehensive income	**(12)**	(4)	**-**	-
(c) Unrecognised temporary differences and tax losses				
Unrecognised temporary differences are not material				
Accumulated tax losses	**(2,992)**	(2,896)	**(2,992)**	(2,896)

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	
	2013	2012
	$000	$000
(d) Imputation credit balance		
The amount of imputation credits available for the subsequent year are:		
Balance at beginning of year	**5**	15
Add: Income tax payments during the year	**-**	-
RWT on interest received	**18**	2
Imputation credits attached to dividends paid during the year	**-**	-
	18	2
Less: Imputation credits attached to dividends paid during the year	**-**	-
Tax refund received	**5**	12
Other debits	**-**	-
	5	12
Balance at end of year	**18**	5
Balance at end of year available to the shareholders of the parent were:		
Through direct shareholding in the parent	**18**	5
Through indirect interests in subsidiaries	**-**	-
	18	5

9 Dividends paid and proposed

No dividends have been paid or proposed to date. (2012 : nil)

10 Earnings per share

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

	Consolidated	
	2013	2012
	$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	**(472)**	**14,935**
For diluted earnings per share:		
Net profit (loss) attributable to ordinary equity holders of the parent (from basic EPS)	**(472)**	**14,935**
Net profit (loss) attributable to ordinary equity holders of the parent	**(472)**	**14,935**

(b) Weighted average number of shares	**2013**	2012
	Thousands	Thousands
Weighted average number of ordinary shares for basic earnings per share	**5,813**	25,536
Effect of dilution:		
Share options	**-**	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**5,813**	25,536

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.

(c) Information on the classification of securities

(i) Options
Options granted to employees (including key management personnel) as described in note 23 are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent they are dilutive. These options have not been included in the determination of basic earnings per share.

11 Current assets - cash and cash equivalents

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Cash at bank and in hand	**708**	3,142	**461**	3,142
Short-term deposits	**-**	-	**-**	-
	708	3,142	**461**	3,142

12 Current assets - trade and other receivables

	Consolidated		Parent	
	2013 $000	2012 $000	**2013 $000**	2012 $000
Trade receivables	**1,052**	-	**-**	-
Allowance for impairment loss (a)	**(117)**	-	**-**	-
Other receivables	**124**	17	**63**	17
	1,059	17	**63**	17
Related party receivables (b)				
Subsidiaries	**-**	-	**10**	-
Other related parties	**-**	-	**-**	-
Carrying amount of trade and other receivables	**1,059**	17	**73**	17

(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 $78,761 (2012: nil) have been recognised by the Group and bad debts recovery of nil (2011: nil) by the Company in the current year. These amounts have been included in other operating expenses item.

Movements in the provision for impairment loss were as follows:

	Consolidated		Parent	
	2013	2012	**2013**	2012
At 1 April	**-**	**-**	**-**	-
Charge for the year	**-**	**-**	**-**	-
Assumed on Purchase of Business	**(64)**	**-**	**-**	-
Amounts written off	**(53)**	**-**	**-**	-
At 31 March	**(117)**	-	**-**	-

At 31 March 2013, 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***
2013	Consolidated	1,052	554	124	20	237	117
2013	Parent	-	-	-	-	-	-
2012	Consolidated	-	-	-	-	-	-
2012	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

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Investments in controlled entities (note 21)				
– at cost	**-**	-	**2,097**	-
	-	-	**2,097**	-

14 Non-current assets – property, plant and equipment

Consolidated	**Computer equipment $000**	**Furniture and fittings $000**	**Office Equipment $000**	**Total $000**
Year ended 31 March 2013				
At 1 April 2012 net of accumulated depreciation and impairment	-	-	-	**-**
Additions	9	-	-	**9**
Disposals	-	-	-	**-**
Assumed with purchase of Business	22	144	30	**196**
Depreciation charge for the year	(8)	(13)	(4)	**(25)**
At 31 March 2013 net of accumulated depreciation and impairment	23	131	26	**180**
At 31 March 2013				
Cost or fair value	129	169	100	**398**
Accumulated depreciation and impairment	(106)	(38)	(74)	**(218)**
Net carrying amount	23	131	26	**180**

Consolidated	**Computer equipment $000**	**Furniture and fittings $000**	**Office Equipment $000**	**Total $000**
Year ended 31 March 2012				
At 1 April 2011 net of accumulated depreciation and impairment	16	28	-	**44**
Additions	19	-	-	**19**
Disposals	(21)	(26)	-	**(47)**
Depreciation charge for the year	(14)	(2)	-	**(16)**
At 31 March 2012 net of accumulated depreciation and impairment	-	-	-	**-**
At 31 March 2012				
Cost or fair value	-	-	-	**-**
Accumulated depreciation and impairment	-	-	-	**-**
Net carrying amount	-	-	-	**-**

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

Parent	Computer equipment $000	Furniture and fittings $000	Phones $000	Total $000
Year ended 31 March 2013				
At 1 April 2012 net of accumulated depreciation and impairment	-	-	-	**-**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
Depreciation charge for the year	-	-	-	**-**
At 31 March 2013 net of accumulated depreciation and impairment	-	-	-	**-**
At 31 March 2013				
Cost or fair value	-	-	-	**-**
Accumulated depreciation and impairment	-	-	-	**-**
Net carrying amount	-	-	-	**-**

Parent	Computer equipment $000	Furniture and fittings $000	Phones $000	Total $000
Year ended 31 March 2012				
At 1 April 2011 net of accumulated depreciation and impairment	10	23	-	**33**
Additions	19	-	-	**19**
Disposals	(16)	(21)	-	**(37)**
Depreciation charge for the year	(13)	(2)	-	**(15)**
At 31 March 2012 net of accumulated depreciation and impairment	-	-	-	**-**
At 31 March 2012				
Cost or fair value	-	-	-	**-**
Accumulated depreciation and impairment	-	-	-	**-**
Net carrying amount	-	-	-	**-**

15 Non-current assets – intangible assets

Consolidated	Software licences $000	Patents and trademarks $000	Total $000
Year ended 31 March 2013			
At 1 April 2012 net of accumulated amortisation and impairment	-	-	**-**
Additions	99	-	**99**
Assumed on Purchase of Business	221	-	**221**
Impairment	-	-	**-**
Amortisation charge for the year	(48)	-	**(48)**
At 31 March 2013 net of accumulated amortisation and impairment	272	-	**272**
At 31 March 2013			
Cost or fair value	820	-	**820**
Accumulated amortisation and impairment	(548)	-	**(548)**
Net carrying amount	272	-	**272**

Consolidated	Software licences $000	Patents and trademarks $000	Total $000
Year ended 31 March 2012			
At 1 April 2011 net of accumulated amortisation and impairment	16	13	**29**
Additions	9	-	**9**
Impairment	-	-	**-**
Amortisation charge for the year	(1)	-	**(1)**
Sale of business	(24)	(13)	**(37)**
At 31 March 2012 net of accumulated amortisation and impairment	-	-	**-**
At 31 March 2012			
Cost or fair value	-	-	**-**
Accumulated amortisation and impairment	-	-	**-**
Net carrying amount	-	-	**-**

15 Non-current assets – intangible assets (cont)

Parent	Software licences $000	Patents and trademarks $000	Total $000
Year ended 31 March 2013			
At 1 April 2012 net of accumulated amortisation and impairment	-	-	**-**
Additions	19	-	**19**
Impairment	-	-	**-**
Amortisation charge for the year	-	-	**-**
At 31 March 2013 net of accumulated amortisation and impairment	19	-	**19**
At 31 March 2013			
Cost or fair value	19	-	**19**
Accumulated amortisation and impairment	-	-	**-**
Net carrying amount	19	-	**19**

Parent	Software licences $000	Patents and trademarks $000	Total $000
Year ended 31 March 2012			
At 1 April 2011 net of accumulated amortisation and impairment	16	13	**29**
Additions	9	-	**9**
Impairment	-	-	**-**
Amortisation charge for the year	(1)	-	**(1)**
Sale of Business	(24)	(13)	**(37)**
At 31 March 2012 net of accumulated amortisation and impairment	-	-	**-**
At 31 March 2012			
Cost or fair value	-	-	**-**
Accumulated amortisation and impairment	-	-	**-**
Net carrying amount	-	-	**-**

(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.

(ii) Patents and licenses

Patents and licences are carried at cost less accumulated impairment losses or accumulated amortisation. These intangible assets have been determined to have finite useful lives. Patents and licences are subject to impairment testing on an annual basis or whenever there is an indication of impairment.

16 Current liabilities - trade and other payables

		Consolidated		Parent	
		2013	2012	**2013**	2012
		$000	$000	**$000**	$000
Trade payables		**396**	-	**-**	-
Payroll liabilities		**73**	-	**-**	-
Other payables		**932**	108	**214**	108
		1,401	108	**214**	108
Related party payables	(a)				
Subsidiaries		**-**	-	**27**	-
Other related parties		**-**	-	**-**	-
Carrying amount of trade and other payables		**1,401**	108	**241**	108

(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.

17 Current liabilities – provisions

Movements in the provisions accounts were as follows:

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
At 1 April	**-**	108	**-**	102
Charges for staff leave entitlements for the year	**87**	-	**-**	-
Entitlements assumed on purchase of business	**148**	-	**-**	-
Reversals for staff leave entitlements for the year	**(114)**	(108)	**-**	(102)
At 31 March	**121**	-	**-**	-

18 Contributed equity

		Consolidated		Parent	
		2013	2012	**2013**	2012
		$000	$000	**$000**	$000
Ordinary shares	(a)	**2,408**	2,408	**2,408**	2,408
		2,408	2,408	**2,408**	2,408

(a) Ordinary shares

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

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

		Thousands	$000
Movement in ordinary shares on issue			
At 1 April 2011		**32,033**	11,850
Share Buy Back	(i)	**(25,524)**	(9,442)
Cancelation of ESS	(ii)	**(696)**	-
At 31 March 2012		**5,813**	2,408
At 31 March 2013		**5,813**	2,408

(i) Share buy back up to 12 January 2012
(ii) Cancelation of employee share scheme shares 27 January 2012

(b) Option scheme

The Company has a share option scheme under which options to subscribe for the Company's shares have been granted to certain executives and senior employees (refer note 23).

(c) Capital management

Enprise Group Limited was an early stage technology company which listed on the Australian Securities Exchange (ASX) in September 2007 for the express purpose of funding its international expansion program. The Board oversees the implementation of the global strategy, monitoring the capital available and how it is deployed to achieve the goals of the Group, the group delisted from the ASX on 22nd October 2012. Enprise Group Limited acquired 100% of Enprise Solutions Limited, 100% of Enprise Australia Pty 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.

Management has no immediate plans to issue further shares on the market.

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

19 Retained earnings and reserves

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

Employee equity benefits reserve
The employee equity benefits reserve is used to record the value of share based payments provided to employees, including key management personnel, as part of their remuneration. Given the current share price is well below the option exercise prices, the Directors have concluded that the share options may not be exercised. Therefore the fair value of the employee equity benefits reserve has been determined to be nil. (2010: $nil). Refer to note 23 for further details of these plans.

20 Statement of cash flows reconciliation

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Reconciliation of net profit to net cash flows from operations				
Net loss	**(472)**	(936)	**(344)**	(812)
Adjustments for non-cash items:				
Depreciation	**73**	17	**-**	15
Net loss (gain) on foreign exchange	**277**	182	**24**	183
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	**(1,042)**	1,298	**(56)**	1,172
(Decrease)/increase in trade and other payables	**1,293**	(1,421)	**133**	(1,140)
Net Working Capital assumed on sale	**-**	80	**-**	57
Net Working Capital assumed on purchase		-	**-**	-
Net cash from operating activities	**129**	(780)	**(243)**	(525)

21 Related party disclosure

(a) Subsidiaries

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

Subsidiary name	**Country of incorporation**	**Principal Activity**	**% of equity interest**		**Investment ($000)**	
			2013	2012	**2013**	2012
Datasquirt (Australia) Pty Limited	Australia	Software sales	**100**	100	**-**	-
Datasquirt UK Limited	United Kingdom	Software sales	**100**	100	**-**	-
Datasquirt LLC	United States	Software sales	**100**	100	**-**	-
Datasquirt AG	Germany	Software sales	**100**	100	**-**	-
2Cloud.biz Limited	New Zealand	Hosting Services	**33**	-	**-**	-
Enprise Solutions	New Zealand		**100**	-	**-**	-

Limited					
Enprise Australia Pty Limited	Australia	**100**	-	**-**	-

Local minimum equity requirements determined that Enprise Group Limited made an investment in setting up the subsidiary Datasquirt AG in 2007. However, the European market was being serviced by the UK subsidiary. As a result of the impairment review of the investment in the subsidiary Datasquirt AG, and due to fact that no cash flow is currently generated from this subsidiary, the investment has been written down to a nil value (2011: nil)

(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.

(d) Transactions with related parties

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

Related Party		**Sales to related parties $000**	**Purchases from related parties $000**	**Amounts owed by related parties $000**	**Amounts owed to related parties $000**
Consolidated					
Shareholders:					
Nightingale Partners Ltd	**2013**	**-**	**-**	**-**	**-**
	2012	-	(31)	-	-
Directors and related entities:					
Jens Neiser	**2013**	**-**	**-**	**-**	**-**
	2012	-	(25)	-	-
Mark Loveys	**2013**	**-**	**-**	**-**	**-**
	2012	-	(40)	-	-
Rob Ellis	**2013**	**-**	**-**	**-**	**-**
	2012	-	(25)	-	-
George Cooper	**2013**	**-**	**(13)**	**-**	**-**
	2012	-	-	-	-
Aaron Ridgway	**2013**	**-**	**(95)**	**-**	**(95)**
	2012	5	(6)	-	(6)

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					
Subsidiaries:					
Datasquirt (Australia) Pty Ltd	**2013**	**-**	**-**	**-**	**-**
	2012	-	-	-	-
Datasquirt (UK) Limited	**2013**	**-**	**-**	**-**	**-**
	2012	-	-	-	-
Datasquirt LLC	**2013**	**-**	**-**	**-**	**-**
	2012	-	-	-	-
Datasquirt AG	**2013**	**-**	**-**	**-**	**-**
	2012	-	-	-	-
Shareholders:					
Nightingale Partners Ltd	**2013**	**-**	**(31)**	**-**	**-**
	2012	-	(31)	-	-

Directors and related entities:

Jens Neiser	**2013**	**-**	**-**	**-**	**-**
	2012	-	(25)	-	-
Mark Loveys	**2013**	**-**	**-**	**-**	**-**
	2012	-	(40)	-	-
Rob Ellis	**2013**	**-**	**-**	**-**	**-**
	2012	-	(25)	-	-
Aaron Ridgway	**2013**	**-**	**(95)**	**-**	**(95)**
	2012	5	(6)	-	(6)

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 balances at year-end are unsecured, interest free and settlement occurs in cash.

(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 and transfer pricing transactions. The transfer pricing transactions include a management fee charged by the parent to each subsidiary, interest charged on intercompany balances during the year, and market support payments made by the parent to the subsidiary.

22 Key management personnel

Compensation for key management personnel

	Consolidated		Parent	
	2013 $000	2012 $000	**2013 $000**	2012 $000
Salaries, bonuses and commissions	**1,379**	1,530	**-**	1,271
Other benefits	**41**	-	**-**	-
Total compensation	**1,420**	1,530	**-**	1,271

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

	2013	2012
	Number of employees	
100,001 – 110,000	**-**	-
110,001 – 120,000	**-**	-
120,001 – 130,000	**-**	-
130,001 – 140,000	**-**	2
140,001 – 150,000	**-**	-
150,001 – 160,000	**-**	-
160,001 – 170,000	**-**	-
170,001 – 180,000	**-**	-
180,001 – 190,000	**-**	-
190,001 – 200,000	**-**	-
200,001 – 210,000	**-**	-
210,001 – 220,000	**-**	-
220,001 – 230,000	**-**	-
230,001 – 240,000	**-**	-
240,001 – 250,000	**-**	-
250,001 – 260,000	**-**	1
260,001 – 270,000	**-**	-
270,001 – 280,000	**-**	-
280,001 – 290,000	**-**	**-**
290,001 – 300,000	**-**	**-**
300,001 – 310,000	**-**	**-**
310,001 – 320,000	**-**	**-**
320,001 – 330,000	**-**	**-**
330,001 – 340,000	**-**	**-**
340,001 – 350,000	**-**	**-**
350,001 – 360,000	**-**	**-**
360,001 – 370,000	**-**	**-**
370,001 – 380,000	**-**	**1**

23 Share-based payment plans

(a) Recognised share-based payment expenses

The expense recognised for employee services received during the year is shown in the table below:

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Expense arising from equity-settled share-based payment transactions	**-**	-	**-**	-
Total expense arising from share-based payment transactions	**-**	-	**-**	-

There are currently no exercisable options as at 31 March 2013 (2012 : nil).

24 Commitments

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

Enprise Solutions Limited – Auckland Office

Enprise Solutions Limited – Hamilton Office

Enprise Solutions Limited – Wellington Office

Enprise Australia Pty Limited – Sydney Office

Enprise Australia Pty Limited – Melbourne Office

In 2012 the group had no lease commitments.

The total expense recognised for the year ended 31 March 2013 in relation to operating commitments is $71,354 (2012:Nil).

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

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Within one year	**155**	-	**120**	-
After one year but not more than five years	**480**	-	**480**	-
After more than five years	**270**	-	**270**	-
Total minimum lease payments	**905**	-	**870**	-

(ii) Property, plant and equipment commitments
The Company and Group had no contractual obligations to purchase plant and equipment at balance date. (2011: $nil).

25 Contingencies

There were no known material contingent liabilities at 31 March 2013 (2012: Nil).

26 Events after the reporting date

There were no events of a material nature after reporting date which required adjustment or disclosure (2012: Nil).

27 Auditors' remuneration

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$000	$000	**$000**	$000
Amounts received or due and receivable by UHY Haines Norton Auckland for:				
Audit of the financial statements	**54**	44	**54**	37
Independent Report on Enprise	**10**	-	**10**	-
	64	44	**64**	37

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

28 Financial instruments classification

Consolidated	**Held for trading $000**	**Loans and receivable $000**	**Available for sale $000**	**Other amortised cost $000**	**2013 Total $000**
Financial Assets:					
Cash and cash equivalents	862	-	-	-	**862**
Trade and other receivables	-	1,059	-	-	**1,059**
Total	862	1,059	-	-	**1,921**
Financial Liabilities:					
Trade and other payables	-	1,041	-	100	**1,141**
Total	-	1,041	-	100	**1,141**

Consolidated	**Held for trading $000**	**Loans and receivable $000**	**Available for sale $000**	**Other amortised cost $000**	**2012 Total $000**
Financial Assets:					
Cash and cash equivalents	3,142	-	-	-	**3,142**
Trade and other receivables	-	17	-	-	**17**
Total	3,142	17	-	-	**3,159**
Financial Liabilities:					
Trade and other payables	-	108	-	-	**108**
Total	-	108	-	-	**108**

Parent	Held for trading $000	Loans and receivable $000	Available for sale $000	Other amortised cost $000	2013 Total $000
Financial Assets:					
Cash and cash equivalents	615	-	-	-	**615**
Trade and other receivables	-	73	-	-	**73**
Total	615	73	-	-	**688**
Financial Liabilities:					
Trade and other payables	-	241	-	-	**241**
Total	-	241	-	-	**241**

Parent	Held for trading $000	Loans and receivable $000	Available for sale $000	Other amortised cost $000	2012 Total $000
Financial Assets:					
Cash and cash equivalents	3,142	-	-	-	**3,142**
Trade and other receivables	-	17	-	-	**17**
Total	3,142	17	-	-	**3,159**
Financial Liabilities:					
Trade and other payables	-	108	-	-	**108**
Total	-	108	-	-	**108**

29 Comparative figures

The comparative figures cover a period of 12 months to 31 March 2012.

30 Change of name

A change of name from DSQ Holdings Limited to Enprise Group Limited occurred with the acquisition of Enprise Solutions Limited on 1 November 2012.

31 Non-operating revenue

On 20 December 2011, DSQ Holdings Limited sold substantially all of the assets of its business to LiveOps, a leading US call centre provider for US$ 12.5million, a 37% premium over its market capitalisation.

Concurrently with the sale, the directors and several other key investors in DSQ Holdings Limited have used most of the proceeds of their distribution as shareholders from the sale to subscribe for approximately US$ 7.5million of shares in LiveOps.

Following the completion of the sale, Enprise Group Limited was holding approximately NZ$3 million (excluding any working capital adjustment) which the directors will seek to invest in an alternative business, or if no suitable investment opportunities present, return the balance of the cash to shareholders within approximately six months of completion of sale. No revenue has been attributed to Enprise Group Limited post completion of the sale and the sale has resulted a profit of NZ$ 15,893,229 in the March 2012 financial year.

Corporate Information

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

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Registered office
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Principal place of business - Australia
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Registered office – Enprise Australia
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Directors	Mark Loveys Christian Bernecker *Chairman* Jens Neiser George Cooper
Local Agent	Company Matters Pty Limited
Share Register	Registries Limited Level 7, 207 Kent Street Sydney, NSW 2000, Australia Phone: +61 2 9290 9600

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

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