



ENPRISE GROUP LIMITED
HALF YEAR REPORT
FOR THE HALF YEAR ENDED 30 SEPTEMBER 2016

Contents

Directors' Report	2
Interim Consolidated Statement of Financial Position	3-4
Interim Consolidated Statement of Comprehensive Income	5
Interim Consolidated Cash Flow Statement	6
Interim Consolidated Statement of Changes in Equity	7
Notes to the Financial Statements	8-13
Directors' Declaration	14
Corporate Information	15

Directors' Report

The Directors submit their Report on Enprise Group Limited for the half year ended 30 September 2016.

Directors

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

Lindsay Phillips	<i>Chairman</i>
George Cooper	<i>Chief Executive Officer</i>
Nicholas Paul	<i>Non-Executive Director</i>

Highlights

Enprise Group Limited (Enprise) currently has one operating division; Enprise Solutions is a solution provider for MYOB Enterprise software in Australia and New Zealand.

Enprise has a joint venture, Datagate Innovation Limited (Datagate), an early stage business that provides online reporting and billing portals under Software-as-a-Service (SaaS) model for resellers of Telco/Utility services and hosted service providers.

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- Net Profit for the period up 189% to \$323,000 (2015 \$171,000).
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- Cash and bank balances of \$ 627,000 (2015 \$431,000) at period end.
-
- Subsequent Events

There are no material events after reporting date.

Revenue	Half Year September 2016 \$NZ '000	Half Year September 2015 \$NZ '000	Increase/ (Decrease) %
Continuing Operations			
Software and Licenses	2,181	2,018	8 %
Services and Support	2,118	1,856	14 %
Other Income	37	5	640 %
	4,336	3,879	12 %
Discontinued Operations	-	341	
Total Revenue	4,336	4,220	



Lindsay Phillips
Chairman
24 November 2016

Interim Consolidated Statement of Financial Position

As at 30 September 2016

	Note	Unaudited 30 September 2016 NZ \$'000	Unaudited 30 September 2015 NZ \$'000	Audited 31 March 2016 NZ \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	8	627	431	109
Trade and other receivables		942	941	1,079
Lock Finance		88	-	58
Deferred Tax Asset		86	-	61
Term deposit		154	154	154
Staff receivables		7	7	5
Total Current Assets		1,904	1,533	1,466
Non-current Assets				
Investment in equity accounted Joint Venture		1,213	-	1,397
Property, plant and equipment	6	103	136	108
Staff receivables		22	8	3
Intangible assets		1,858	3,709	1,890
Total Non-current Assets		3,196	3,853	3,398
TOTAL ASSETS		5,100	5,386	4,864
LIABILITIES				
Current Liabilities				
Trade and other payables		905	1,162	935
Related party payables	11	-	557	2
Lock Finance – Loan		-	39	-
Provisions		231	392	142
Other liabilities		15	15	15
Total Current Liabilities		1,151	2,165	1,094
Non-current liabilities				
Other liabilities		41	56	49
Deferred tax liability		47	-	44
Total Non-current Liabilities		88	56	93
TOTAL LIABILITIES		1,239	2,221	1,187

Interim Consolidated Statement of Financial Position (Cont)

	Note	Unaudited 30 September 2016 NZ \$'000	Unaudited 30 September 2015 NZ \$'000	Audited 31 March 2016 NZ \$'000
EQUITY				
Equity attributable to equity holders of the parent				
Contributed equity	9	2,882	2,823	2,823
Accumulated profit		979	342	854
TOTAL EQUITY		3,861	3,165	3,677
TOTAL EQUITY AND LIABILITIES				
		5,100	5,386	4,864

The above Statement of Financial Position should be read in conjunction with the accompanying notes.
For and on behalf of the Board, who authorise the issue of these interim financial statements on 30 November 2016.



George Cooper
Chief Executive Officer
24 November 2016



Lindsay Phillips
Chairman
24 November 2016

Interim Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2016

	Note	Unaudited 30 September 2016 NZ \$'000	Unaudited 30 September 2015 NZ \$'000
Continuing operations			
Revenue			
Revenue		4,299	3,874
Other revenue		37	5
	3	4,336	3,879
Cost of Goods Sold		(1,527)	(1,283)
Advertising and Marketing expense		(56)	(72)
Employee benefits expense		(1,706)	(1,594)
Professional fees		(76)	(105)
Travel expenses		(67)	(25)
Other operating expenses		(366)	(361)
Net gain (loss) on foreign exchange		(4)	23
Depreciation & impairment		(49)	(19)
Profit (Loss) from continuing operations before income tax		485	443
Income tax expense	4	22	-
Discontinued operations			
Profit (loss) from discontinued operations		-	(272)
Net profit (loss) for the period	3	507	171
Other comprehensive income for the period, net of income tax (Loss on Datagate joint venture)			
		(184)	-
Total comprehensive income for the period		323	171
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:			
Basic earnings per share	7	0.048	0.02
Diluted earnings per share	7	0.048	0.02

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

Interim Consolidated Cash Flow Statement

For the six months ended 30 September 2016

	Note	Unaudited 30 September 2016 NZ \$'000	Unaudited 30 September 2015 NZ \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		4,916	4,844
Payments to suppliers and employees (inclusive of GST)		(4,177)	(4,406)
Income tax refund		-	5
Interest paid		(2)	(24)
Interest received		6	5
Net cash flows generated / (used) in operating activities	10	743	424
Purchase of property, plant and equipment	6	(12)	(18)
Purchase of intangibles		-	(365)
Purchase of GlobalBizpro		-	(187)
Purchase of equity investments		-	-
Net cash flows used investing activities		(12)	(570)
Cash flows from financing activities			
Proceeds from issue of shares		139	-
Share buy-back		(80)	-
Dividends paid		(198)	-
Proceeds from borrowing		-	365
Lock Finance		(30)	20
Insurance Loan		(19)	(18)
Loans repaid by other entities		4	22
Loans to other entities		(25)	(212)
Net cash flows from financing activities		(209)	175
Net increase / (decrease) in cash and cash equivalents		522	29
Net foreign exchange differences		(4)	23
Cash and cash equivalents at beginning of period		109	379
Cash and cash equivalents at 30 September		627	431

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

Interim Consolidated Statement of Changes in Equity

For the six months ended 30 September 2016

Unaudited	Note	Share capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 April 2015		2,823	171	2,994
Net profit for the period		-	171	171
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	171	171
Balance at 30 September 2015	9	2,823	342	3,165

Unaudited	Note	Share capital \$000	Retained earnings \$000	Total equity \$000
Balance at 1 April 2016		2,823	854	3,677
Shares cancelled		(80)	-	(80)
New shares issued		139	-	139
Net Profit for the period		-	323	323
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	323	323
Dividend paid		-	(198)	(198)
Balance at 30 September 2016	9	2,882	979	3,861

Audited	Note	Share capital \$000	Retained earnings \$000	Non- controlling interest \$000	Total equity \$000
Balance at 1 April 2015		2,823	171	-	2,994
Net profit for the period		-	702	(19)	683
Transferred on dilution of equity interest in joint venture		-	(19)	19	-
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	683	-	683
Balance at 31 March 2016	9	2,823	854	-	3,677

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

Notes to the Financial Statements

For the half year ended 30 September 2016

1 Corporate information

The Interim Condensed Consolidated Financial Statements of Enprise Group Limited (the Group) for the six months ended 30 September 2016 were authorised for issue in accordance with a resolution of the Directors on 24 November 2016.

Enprise Group Limited (the parent) is a company limited by shares incorporated in New Zealand.

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

2 Basis of preparation and accounting policies

(a) Basis of preparation

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

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

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 March 2016 and considered together with any public announcements made by Enprise Group Limited relating to the half year ended 30 September 2016 in accordance with continuous disclosure obligations.

(b) Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2016.

3 Segment Information

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

The geographic segments are described in the table below:

Legal Entity	Location	Percentage Held	Geographic region
Enprise Group Limited (<i>Parent</i>)	New Zealand	100%	New Zealand
Enprise Solutions Limited	New Zealand	100%	New Zealand and Globally
Enprise Australia Pty Limited	Australia	100%	Australia
Enprise Limited (non-trading)	New Zealand	100%	New Zealand
Datagate Innovation Limited	New Zealand	100%	New Zealand
Global Bizpro (non-trading)	New Zealand	100%	New Zealand

Joint Venture	Location	Percentage Held	Geographic region
Datagate Innovation Limited	New Zealand	50.65%	New Zealand

3 Segment Information (continued)

Geographic segments

The following table presents a summary of revenue, other income and profit and loss information regarding the subsidiaries performance for the six months ended 30 September 2016, and for the six months ended 30 September 2015.

Six months ended 30 September 2016 (unaudited)	New Zealand	Australia	Asia	North America	EMEA	TOTAL
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
External Revenue	3,414	876	9	-	-	4,299
Other income	37	-	-	-	-	37
Total external revenue	3,451	876	9	-	-	4,336
Net Profit	425	82	-	-	-	507

Six months ended 30 September 2015 (unaudited)	New Zealand	Australia	Asia	North America	EMEA	TOTAL
	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000	NZ \$'000
External Revenue	3,226	637	11	-	-	3,874
Other income	5	-	-	-	-	5
Total external revenue	3,231	637	11	-	-	3,879
Net Profit from continuing operations	422	21	-	-	-	443

Revenue from discontinued operations	37	65	3	199	37	341
Net Loss from discontinued operations	(272)	-	-	-	-	(272)

30 September 2016	Enprise Solutions		Corporate	Total	
Revenue					
Total segment revenue	4,299		-	4,299	
Rent received	31		-	31	
Interest received	3		3	6	
Total group revenue	4,333		3	4,336	
Net Profit / (Loss)	645		(138)	507	
30 September 2015	Enprise Solutions	Enprise Software	Datagate	Corporate	Total
Revenue	3,827	341	47	-	4,215
Other Income	-	-	-	-	-
Total segment revenue	3,827	341	47	-	4,217
Interest received	1	-	-	4	5
Total group revenue	3,827	341	47	4	4,220
Net Profit / (Loss)	654	(272)	(77)	(134)	171

4 Income Tax

For the six months ended 30 September 2016 (unaudited)	2016 NZ \$'000	2015 NZ \$'000
(a) Income tax expense		
<i>Statement of Comprehensive Income</i>		
<i>Current income tax</i>	-	-
(b) Reconciliation between tax at statutory rate and tax expense in Statement of Comprehensive Income		
Statutory tax at 28%	136	48
Relating to non-deductible differences	9	50
Relating to origination and reversal of temporary differences	13	20
Tax effect of tax losses utilised	(158)	(118)
Income tax expense reported in the Statement of Comprehensive Income	-	-
Accumulated tax losses	(9,395)	(10,409)

The Company continues to meet the shareholder continuity requirement to carry forward tax losses. Temporary differences that can reasonably be foreseen in the next accounting period have been recognised as a deferred tax asset (2015 \$Nil). Enprise has not recognised the deferred Tax Losses due uncertainty of shareholder continuity in future periods. In corresponding period (September 2015) no deferred tax asset was recognised.

5 Dividends paid and proposed

A 2016 final dividend of 3 cents per share was paid on 22 July 2016. A 2017 interim dividend of 2 cents per share was paid on 18 November 2016. 324,628 new shares were issued under the dividend reinvestment plan.

6 Property, plant and equipment

During the six months ended 30 September 2016, the Group acquired tangible assets to the value of NZ \$11,823 (30 September 2015: NZ \$17,667).

7 Earnings per share

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

For the six months ended 30 September 2016 (unaudited)

(a) Earnings used in calculating earnings per share	2016 NZ \$'000	2015 NZ \$'000
<i>For basic earnings per share:</i>		
Net Profit attributable to ordinary equity holders of the parent	323	171
<i>For diluted earnings per share:</i>		
Net Profit attributable to ordinary equity holders of the parent from basic EPS	323	171
Net Profit attributable to ordinary equity holders of the parent	323	171
(b) Weighted average number of shares	2016 000's	2015 000's
Weighted average number of ordinary shares for basic earnings per share	6,771	6,792
Effect of dilution:		
Share options	-	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	6,771	6,792

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

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

(c) Information on the classification of securities

(i) Options

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

8 Current assets - cash and cash equivalents

	Unaudited 30 September 2016 NZ \$'000	Unaudited 30 September 2015 NZ \$'000	(Audited) 31 March 2016 NZ \$'000
Cash at bank	627	431	109
Short-term deposits	-	-	-
Carrying amount of cash and cash equivalents	627	431	109

9 Contributed equity, retained earnings and reserves

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

Foreign currency translation reserve

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

10 Cash flow statement reconciliation

For the six months ended 30 September 2015 (unaudited)	2016 NZ \$'000	2015 NZ \$'000
Reconciliation of net loss to net cash flows from operations		
Net Profit / (Loss)	323	171
<i>Adjustments for:</i>		
Depreciation and amortisation	49	60
Impairment	-	179
Net gain / loss on foreign exchange	4	(23)
Bad debts written off	18	19
Share of loss from equity accounted Joint Venture	184	-
Income Tax	(22)	-
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	138	368
(Decrease)/increase in trade and other payables	57	(342)
Decrease in other liabilities	(8)	(8)
Net cash from operating activities	743	424

11 Related party disclosure

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

Related Party	Sales to related parties NZ \$'000	Purchases from related parties NZ \$'000	Amounts owed by related parties NZ \$'000	Amounts owed to related parties NZ \$'000
<i>Directors and related entities:</i>				
Nightingale Partners (Related Party)	2016	-	-	-
	2015	-	-	238
Net Power Solutions (Related Party)	2016	-	-	-
	2015	-	-	319
The Sales Factory Limited (Common Director)	2016	-	33	-
	2015	-	-	-

12 Share-based payment plans

No share options were granted or forfeited in the six month period to 30 September 2016 (30 September 2015: nil).

13 Commitments

(a) Leasing commitments

The Group has commercial lease commitments.

- Enprise Solutions Limited – Auckland Office

The lease of Enprise Solutions Limited, Auckland Office is for an initial term of 8 years commencing 21 June 2012 with a renewal of a further 6 years. The renewal date is 21 June 2020. The final expiry date of the lease is 20 June 2026.

- Enprise Solutions Limited – Wellington Office

The lease of Enprise Solutions Limited, Wellington office, is for a term of 12 months period commencing on the 1st February 2016 and expires on 31st January 2017 with a renewal of further one year.

- Enprise Solutions Limited – Hamilton Office

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

- Enprise Australia Pty Limited – Melbourne Office

The lease of Enprise Australia Pty Limited, Melbourne office, commenced on the 1st June 2016. The lease is for a minimum of 6 months and then lease continues to operate until terminated by either party by way of 1 months' notice in writing.

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

	2016 NZ \$'000	2015 NZ \$'000
Within one year	145	133
After one year but not more than five years	352	450
After more than five years	-	-
Total minimum lease payments	497	583

(b) Property, plant and equipment commitments

The Group had no contractual obligations to purchase plant and equipment at balance date (31 March 2016: NZ \$Nil).

14 Events after the reporting date

There are no material events after the reporting date.

15 Contingencies

There were no know material contingent liabilities at 30 September 2016 (31 March 2016 : NZ \$Nil)

16 Going Concern

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

Directors' Declaration

The Directors declare that the interim condensed consolidated financial statements:

- I. Comply with NZ IAS 34 Interim Financial Reporting.
- II. Give a true and fair view of the financial position of Enprise Group Limited and its subsidiaries as at 30 September 2016 and of their performance, as represented by the results of their operations and their cash flows for the half-year ended on that date.

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

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

Dated at Auckland this 30th day of November 2016.



George Cooper
Director
30 November 2016



Lindsay Phillips
Chairman
30 November 2016

Corporate Information

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

Contact details

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Directors

Lindsay Phillips	<i>Chairman</i>
George Cooper	<i>Chief Executive Officer</i>
Nicholas Paul	<i>Non-Executive Director</i>

Share Register

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

Auditor

Staples Rodway, Auckland, New Zealand
