

TM

Enprise

ENPRISE GROUP LIMITED

Annual Report 2024



Contents

Letter from our Board	3
Our Businesses	5
Board of Directors	6
Financial Statements	7
Independent Auditor's Report	42
Corporate Governance Statement	46
Other Disclosures	47
Directory	51

Letter from our Board

The Directors are pleased to submit to shareholders their report and financial statements for the year ended 30 June 2024.

PRINCIPAL ACTIVITIES

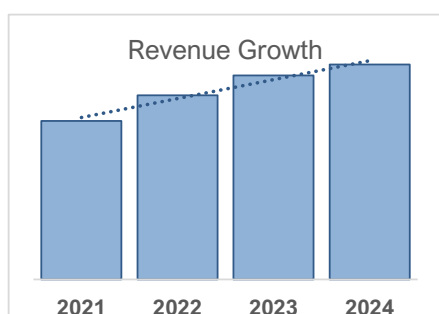
Enprise Group Limited (**Enprise**) is a hi-tech software and services investment company that has two operating divisions:

- Kilimanjaro Consulting (**Kilimanjaro**), a solutions provider for MYOB Enterprise software and companion products in Australia and New Zealand.
- iSell Pty Limited (**iSell**), a developer/seller of a cloud-based quoting system (ITQuoter) on a Software-as-a-Service (SaaS) model to the Managed Service Provider (MSP) market in Australia, UK/Europe, New Zealand, South Africa, and North America.

Enprise Group has two additional strategic investments as at 30 June 2024:

- 32.92% of Datagate Innovation Limited (**Datagate**), a developer and provider of online reporting and billing portals under a SaaS model for MSP's reselling telco/utility services and hosted service providers in New Zealand, Australia, Canada, USA and UK/Europe.
- 6.35% of Vadacom Limited (**Vadacom**), a developer/provider of multi-tenant cloud based VoIP solution for corporations in New Zealand and Australia.

REVIEW OF OPERATIONS AND OUTLOOK



The Directors are pleased to report that the group has delivered a much-improved performance with a welcome return to profitability. Despite the prevalent economic headwinds, the Directors are confident that the improvements made across all business units will sustain this performance.

Group Revenue grew by \$1.114m (5.4%), to \$21.865m.

Total comprehensive income for the year ended 30 June 2024 was \$0.019m, compared to a loss of \$10.967m in 2023. In the prior year, Kilimanjaro had been severely impacted by the write-off of goodwill, based on a worst-case scenario of the dispute with MYOB. We have successfully renegotiated our bank loan.

Kilimanjaro Consulting

As signalled in our interim report, general economic conditions in both Australia and New Zealand remain tough. Leveraging off our ability to improve efficiency through the use of technology, our clients continued to invest modestly. Coupled with productivity improvements and management of costs, Kilimanjaro was able to return a much-improved performance in the second half of the year.

Changes in product margins and a shift in the business product mix led to a slight reduction in recurring revenue, however contracted revenue increased significantly. Our Acumatica (formerly MYOB Advanced) base now exceeds 300 clients. As the transition from Exo to Acumatica continues, the product mix margin will be restored.

Revenue Operating Profit

	Revenue \$'000	Operating Profit \$'000
Full Year 2024	20,454	1,245
2nd half 2024	10,804	1,297
1st half 2024	9,650	(52)
Full Year 2023	19,501	362
2nd half 2023	10,604	820
1st half 2023	8,897	(458)

	Recurring Revenue	Contracted Revenue	Total Recurring & Contracted Revenue	Other Revenue	Total Revenue
Full Year 2024	4,459	4,787	9,246	11,208	20,454
Full Year 2023	4,481	4,171	8,652	10,849	19,501

The cooperation between Kilimanjaro and MYOB drives our success and our relationship has benefitted from a renewed focus by MYOB on their partner channel.

The rebrand of MYOB Advanced to MYOB Acumatica positions this product squarely in the mid-market, where Kilimanjaro has built market-leading capability to service larger more complex organisations. Acumatica remains the fastest-growing cloud SaaS ERP system in the world; internationally recognised and multi-award winning. Acumatica's continued investment in AI and automation makes it an attractive solution for mid-market organisations. Kilimanjaro is the largest player in both the MYOB Acumatica space as well as the MYOB Exo space in Australia and New Zealand.

Marketing activity and sales effort both required additional resources to maintain our progress in difficult economic conditions, and increased competition. In New Zealand, business owners are likening the current economic circumstances to the GFC and Covid. As our business thrives in times of strong business confidence, the current circumstances are particularly challenging.

Good management of costs and incremental improvements in efficiency have enabled Kilimanjaro to return a significantly better result this year than last. We are particularly proud of the high levels of productivity in our teams, our high Net Promoter Score, and our Client Retention. Our organisational culture has been maintained despite our growth, enabling us to provide an attractive workplace for our highly skilled people.

Letter from our Board

iSell

As a quoting tool for Managed Service Providers (MSP's), ITQuoter provides an elegant solution for the quote-to-procurement cycle, with data feeds from the major suppliers. The addition of customer portals is expected to make the product more competitive and more marketable to large MSP's.

Following several years of development in changing from on-premise software to the cloud, we now have a solid and stable product and are getting some notable wins in the market. Aggressive cost-cutting has reduced the losses. Total revenue growth was 14.5%.

Datagate

Off the back of success in the US markets, Datagate plans to further expand geographically, and continue to grow recurring revenue. The Datagate board has elected to take the opportunity to build market share now, rather than throttle back growth to achieve break-even.

Growth in recurring revenue in Datagate was 24.8%.

Subsequent to year end, Enprise Group subscribed to a further 35,714 shares at \$2.80 per share in an oversubscribed Datagate rights issue.

A major change in the accounting treatment of the Datagate numbers is the application of IFRS2 to the employee share options. A cost of approximately \$0.312m was booked to Datagate to recognise the cost of these options, and Enprise has recognised our share of that in these accounts.

If Enprise Group's 2,446,738 shares in Datagate (post the rights issue) were valued at the August 2024 rights issue price of \$2.80 per share, the value of our investment would be \$6,850,866.

Vadacom

Enprise Group has a 6.35% investment in Vadacom Holdings. Although a smaller player in the VOIP telecommunications space, Vadacom continues to deliver dividends to the Group and provide a good return on our investment.

FUTURE PLANS

Our recently announced acquisition of a 52% share in Recipe Marketing, an award-winning HubSpot Platinum Solutions Partner, brings expertise in an area closely aligned to our MYOB business.

HubSpot is an AI-powered customer platform with software, integrations, and resources to connect marketing, sales, and customer service.

The two businesses operate in the same market space and have similar ethics and culture. There are opportunities for cross-referrals of clients, and cross-utilisation of skills. We welcome Recipe Marketing to the family.

The Board of Directors wishes to thank all employees of the Group, including management, for their hard work and exceptional dedication, without which these results would not have been possible.



Nicholas Paul - Director
Independent Non-Executive Chairperson
27 September 2024



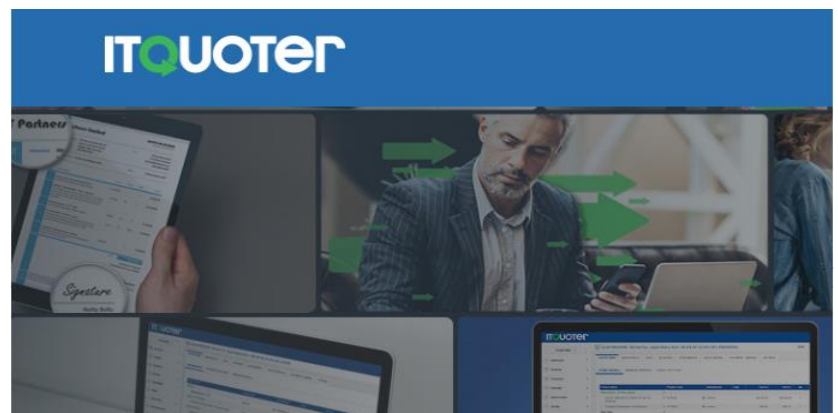
Ronald Baskind - Director
Managing Director
27 September 2024

Our Businesses



Kilimanjaro Consulting is MYOB's number one partner in Australia and New Zealand and is the leading trans-Tasman provider of solutions based on the MYOB Acumatica and MYOB Exo software platforms. It offers a companion product range to extend the power and functionality of MYOB Advanced and MYOB Exo. Kilimanjaro hosts, implements, integrates, manages and supports all of the software it sells. Kilimanjaro services clients in a range of industries through branches in Australia and New Zealand.

iSell is a primary provider of business systems to the IT reseller market through its ITQuoter software. iSell databases contain over 4.5 million products representing more than 2000 vendors available from 100+ distributors. The products are sent automatically to hundreds of IT Resellers daily, across Australia, New Zealand, UK & Europe, South Africa and USA.



Datagate offers one-stop SaaS telecom billing. Datagate has everything required to make billing telecommunications easy, quick, profitable and compliant, in a single SaaS package. The Datagate online billing portal enables IT Managed Service Providers (MSPs) to bill telecom services optimally at minimal time and cost. Datagate is the online billing portal that integrates with software that's important to MSPs, including ConnectWise and other professional services automation software, tax engines and popular accounting systems like QuickBooks and Xero.

Vadacom specialises in phone system software development and unified communications solutions for Australian and New Zealand businesses. Vadacom is one of New Zealand's leading developers of open source technology and Voice over IP (VoIP) based IP telecoms solutions to businesses of all sizes.



Board of Directors



Nick Paul is the Independent Non-Executive Chairperson of Enprise Group. He is an accomplished senior leadership professional with over 30 years of achievement and success driving sales growth in highly competitive technology related markets.

Nick has held senior roles in the Telco industry including Vodafone, Spark and CEO of Leading Edge Communications. Nick established The Sales Factory in 2015 and focuses on providing sales and distribution growth support to mid-sized companies in Australasia.



Ronnie Baskind is the Enprise Group Managing Director. He has more than 30 years' experience as an entrepreneur, management consultant, senior executive, director and agribusiness professional. Ronnie is CEO of the Enprise Group division, Kilimanjaro Consulting.

Ronnie's diverse background, combined with strong analytical and facilitation skills, has given him a deep insight into businesses across most industry sectors and in various stages of development. Ronnie is the founder of Kilimanjaro Consulting Pty Limited, Australia's largest implementer of MYOB's enterprise-level business management solutions.



Elliot Cooper is Finance Director of the Enprise Group. He is also co-founder and Executive Director of Enprise Group, and formerly held the Enprise Group CEO role.

In addition to his financial expertise Elliot has extensive experience in the financial software business. He is a qualified accountant with deep experience in financial accounting and financial controller roles.

Elliot was one of the original creators of Exonet Finance (now renamed MYOB Exo), alongside Mark Loveys. Like Mark, Elliot has been involved with the product every step of the way since its inception at PC Direct in the 1990s.



Lindsay Phillips is an Enprise Group Non-Executive Director. He has been involved in private equity for over 35 years, commencing in 1987 with M.J.H. Nightingale & Co. Limited in London/New York and subsequently Australia since 1995. Lindsay's experience includes seven years (1980-87) with Price Waterhouse and thirty seven years in investment banking/private equity in the United Kingdom, Europe, USA and Australia including five years (2007-12) as Managing Director of Lazard Australia Private Equity. Lindsay is currently Managing Director of two investment funds – Phoenix Development Fund and Nightingale Partners – focused on providing patient expansion capital to family companies. He serves as a Director of most of the companies in which the funds are invested.



Aaron Ridgway is an Enprise Group Independent Non-Executive Director. Aaron is a proven entrepreneur with over twenty years of commercial experience which includes founding and providing major start-up funding to a cloud-technology company and leading it, as CEO, through growth, NZTE funding, IPO, globalisation, rationalisation and successful exit to a Silicon Valley corporation.

Currently CEO, investment generator, largest stakeholder and Director of Vadacom Holdings Limited.

Financial Statements

for the year ended 30 June 2024

CONTENTS

Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12



Statement of Comprehensive Income

for the year ended 30 June 2024

	Note	30 June 2024 \$'000	30 June 2023 \$'000
Revenue from contracts with customers	3	21,865	20,751
Other operating income	4(a)	89	-
Employee expense	5(d)	(16,015)	(15,784)
Other operating costs	5(c)	(6,350)	(7,403)
Other gains/(losses) - net	5(a)	113	(77)
Operating profit/(loss)		(298)	(2,513)
Equity earnings/(losses) from associates and joint ventures	14	(220)	(330)
Other gains/(losses) related to associates and joint ventures	14	9	-
Impairment of intangible assets	17	293	(6,786)
Finance cost - net	5(b)	(203)	(219)
Net profit/(loss) before income tax		(419)	(9,848)
Income tax benefit	6(a)	373	(904)
Net profit/(loss) after tax for the period		(46)	(10,752)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Foreign currency translation differences		65	(40)
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of investments through other comprehensive income	15	-	(175)
Total other comprehensive income/(loss) for the period, net of tax		65	(215)
Total comprehensive income/(loss) for the period		19	(10,967)
Profit/(loss) for the period is attributable to:			
Non-Controlling Interest		(39)	(473)
Owners of Enprise Group Limited		(7)	(10,279)
		(46)	(10,752)
Total comprehensive income/(loss) for the period is attributable to:			
Non-Controlling Interest		(39)	(473)
Owners of Enprise Group Limited		58	(10,494)
		19	(10,967)
Earnings per share from profit/(loss) for the period attributable to ordinary shareholders of the Enprise Group Limited:			
Basic and diluted earnings/(loss) per share (cents)	7	(0.04)	(60.82)

Statement of Financial Position

as at 30 June 2024

	Note	30 June 2024 \$'000	30 June 2023 \$'000
ASSETS			
Current			
Cash and cash equivalents	19	1,737	1,178
Trade and other receivables	8	3,540	3,911
Contract assets	9	635	669
Current tax assets	6(c)	1	24
Staff receivables		26	12
Total current assets		5,939	5,794
Non-current			
Investments in associates, joint ventures	14	701	912
Investments in other entities	15	452	452
Staff receivables		26	17
Property plant and equipment	16	383	388
Intangible assets	17	2,792	2,948
Right-of-use assets	18	2,232	1,098
Deferred tax asset	6(d)	1,710	1,267
Loans to related parties	22(e)	-	32
Other non-current assets	10	364	36
Total non-current assets		8,660	7,150
Total assets		14,599	12,944
LIABILITIES			
Current liabilities			
Trade and other payables	11	3,382	3,430
Provisions	12	2,063	1,985
Contract liabilities	13	1,955	1,689
Borrowings	19	407	2,096
Lease liabilities	20	203	498
Total current liabilities		8,010	9,698
Non-current liabilities			
Provisions	12	310	356
Borrowings	19	242	-
Lease liabilities	20	2,194	734
Deferred tax liability	6(d)	739	710
Total non-current liabilities		3,485	1,800
Total liabilities		11,495	11,498
Net assets		3,104	1,446
EQUITY			
Share capital	21(a)	13,392	12,080
Foreign exchange translation reserve		376	311
Financial assets at FVOCI reserve		353	353
Retained earnings / (accumulated losses)		(10,701)	(10,985)
Equity attributable to the owners of Enprise Group Limited		3,420	1,759
Non-controlling interests	23	(316)	(313)
Total equity		3,104	1,446

These financial statements have been authorised for issue by the Directors.
For and on behalf of the Board:



Nicholas Paul - Director
Independent Non-Executive Chairperson
27 September 2024



Ronald Baskind - Director
Managing Director
27 September 2024

Statement of Changes in Equity

for the year ended 30 June 2024

	Share capital	Foreign exchange translation reserve	Financial assets at FVOCI reserve	Retained earnings / (accumulated losses)	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE AT 1 JULY 2023	12,080	311	353	(10,985)	(313)	1,446
<i>Transactions with shareholders in their capacity as owners</i>						
Dividends paid	-	-	-	-	-	-
New shares issued (note 21)	1,312	-	-	-	-	1,312
Transactions with non-controlling interests (note 23)	-	-	-	291	36	327
Total transactions with shareholders	1,312	-	-	291	36	1,639
<i>Comprehensive income</i>						
Profit/(loss) for the period	-	-	-	(7)	(39)	(46)
Other comprehensive income/(loss)	-	65	-	-	-	65
Total comprehensive income/(loss) net of tax	-	65	-	(7)	(39)	19
Balance at 30 June 2024	13,392	376	353	(10,701)	(316)	3,104

	Share capital	Foreign exchange translation reserve	Financial assets at FVOCI reserve	Retained earnings / (accumulated losses)	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
BALANCE AT 1 JULY 2022	11,010	351	528	(696)	161	11,354
<i>Transactions with shareholders in their capacity as owners</i>						
Dividends paid	-	-	-	-	-	-
New shares issued (note 21)	1,070	-	-	-	-	1,070
Transactions with non-controlling interests (note 23)	-	-	-	(10)	(1)	(11)
Total transactions with shareholders	1,070	-	-	(10)	(1)	1,059
<i>Comprehensive income</i>						
Profit for the period	-	-	-	(10,279)	(473)	(10,752)
Other comprehensive income/(loss)	-	(40)	(175)	-	-	(215)
Total comprehensive income/(loss) net of tax	-	(40)	(175)	(10,279)	(473)	(10,967)
Balance at 30 June 2023	12,080	311	353	(10,985)	(313)	1,446

Statement of Cash Flows

for the year ended 30 June 2024

	Note	30 June 2024 \$'000	30 June 2023 \$'000
OPERATING ACTIVITIES			
<i>Cash was provided from:</i>			
Receipts from customers		25,027	21,616
Interest received		6	6
Dividends Received		1	-
Income tax refund received		111	-
<i>Cash was applied to:</i>			
Payments to suppliers & employees		(23,133)	(22,105)
Interest paid		(215)	(239)
Income tax paid		(1)	(3)
Net cash inflow/(outflow) from operating activities	24	1,796	(725)
INVESTING ACTIVITIES			
<i>Cash was provided from:</i>			
Loans repaid by staff		4	2
Loans repaid by related parties		32	42
<i>Cash was applied to:</i>			
Purchase of property, plant and equipment		(91)	(77)
Software development costs		(523)	(516)
Investment in equity accounted investment		-	(434)
Term deposits		(317)	-
Net cash inflow/(outflow) from investing activities		(895)	(983)
FINANCING ACTIVITIES			
<i>Cash was provided from:</i>			
Proceeds from issue of shares		1,312	1,040
Proceeds from bank borrowings		-	723
Proceeds from issue of shares in iSell Pty Limited to non-controlling interests		301	-
<i>Cash was applied to:</i>			
Dividends paid		-	-
Purchase of shares in iSell Pty Limited from non-controlling interests		-	(11)
Repayment of lease liabilities		(532)	(595)
Repayment of bank borrowings		(498)	(388)
Repayment of other borrowings		-	(42)
Net cash inflow/(outflow) from financing activities		583	727
Net increase/(decrease) in cash and cash equivalents held		1,484	(981)
Net foreign exchange differences		24	(6)
Cash and cash equivalents at beginning of the period		229	1,216
Net cash and cash equivalents at end of the period	19	1,737	229
<i>Represented by:</i>			
Cash and cash equivalents		1,737	1,178
Bank overdraft		-	(949)
Net cash and cash equivalents at end of the period		1,737	229

Notes to the Financial Statements

for the year ended 30 June 2024

1 BASIS OF PREPARATION

(a) Reporting entity

Enprise Group Limited (the company) and its subsidiaries (together the Group) is a high-tech software and services investment company. The company is a limited liability company incorporated and domiciled in New Zealand and is listed on the New Zealand Stock Exchange (NZX). The Group is registered under the Companies Act 1993 and is a FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act (FMCA) 2013. The address of its registered office is 16 Hugo Johnston Drive, Penrose, Auckland.

(b) Compliance statement

These consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), the Companies Act 1993, the FMCA 2013 and NZX listing rules. They comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS). The Group is a for-profit entity for the purposes of complying with NZ GAAP.

(c) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities at fair value.

The consolidated financial statements are presented in New Zealand dollars which is the Company's functional currency and the Group's presentation currency. All financial information has been prepared in thousands, unless otherwise stated.

The principal accounting policies adopted in the preparation of the financial report are set out in the accompanying notes and indicated by the shaded text. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(d) Principles of consolidation

The consolidated financial statements comprise the financial statement of the company and its subsidiaries.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are changed when necessary to ensure consistency with the policies adopted by the Company.

Name of Entity	Country of incorporation	Principal activity	Percentage ownership	
			30 June 2024	30 June 2023
Kilimanjaro Consulting Limited	New Zealand	Software sales and solutions	100.00	100.00
Kilimanjaro Consulting Pty Limited	Australia	Software sales and solutions	100.00	100.00
Enprise Limited	New Zealand	Software sales and solutions	100.00	100.00
Global Bizpro Limited	New Zealand	Non-trading	100.00	100.00
iSell Pty Limited	Australia	Software sales and solutions	72.51	75.25
IT Quoter Limited	New Zealand	Non-trading	72.51	75.25
IT Quoter North America Inc	United States	Non-trading	72.51	75.25
iSell Philippines Inc	Philippines	Software development	72.51	75.25

(e) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For the iSell Pty Limited business combination, the non-controlling interest in the acquiree is measured at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Notes to the Financial Statements

for the year ended 30 June 2024

1 BASIS OF PREPARATION (CONTINUED)

(e) Business combinations (continued)

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

(f) Foreign currency translation

The consolidated financial statements are presented in New Zealand dollars, which is the Group's presentation currency. Items included in the financial statements of each of the subsidiaries are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The results and financial position of entities that have a different functional currency are translated to NZD as follows: assets and liabilities are translated at the exchange rate at balance date and income statement items are translated at the average exchange rates for the year. Exchange differences are recognised in other comprehensive income as a currency translation reserve movement.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss.

(g) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: 'fair value through other comprehensive income' and 'amortised cost'. The classification depends on the business model and contractual terms of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Notes to the Financial Statements

for the year ended 30 June 2024

1 BASIS OF PREPARATION (CONTINUED)

(g) Financial instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, is recognised in profit or loss.

Financial liabilities

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(h) Critical accounting judgements and estimates

In the process of applying the Group's accounting policies and the application of accounting standards, a number of estimates and judgements have been made. The estimates and underlying assumptions are based on historical experience and adjusted for current market conditions and other factors, including expectations of future events that are considered to be reasonable under the circumstances. If outcomes within the next financial period are significantly different from assumptions, this could result in adjustments to carrying amounts of the asset or liability affected.

Judgements and estimates which are material to the financial statements are found in the following notes:

- (a) Revenue recognition (note 3).
- (b) Taxation (note 6(d)).
- (c) Intangible assets (note 17).
- (d) Investments in other entities (note 15).
- (e) Lease liabilities (note 20).
- (f) Impairment (note 17).
- (g) Going concern assumption.

Notes to the Financial Statements

for the year ended 30 June 2024

1 BASIS OF PREPARATION (CONTINUED)

(i) Going concern assumption

The Group prepares its financial statements on a going concern basis and expects to be able to realise its assets and meet its financial obligations in the normal course of business.

The Group is in the process of restoring the profitability of its Kilimanjaro business segment following the resolution of the MYOB dispute early in the year. However, despite the second half turnaround in performance, The Group still reported a loss for the year ended 30 June 2024 of \$0.05 million (30 June 2023 \$10.8 million), net current liabilities of \$2.1 million (30 June 2023 \$3.9 million) and cash and cash equivalents of \$1.7 million (30 June 2023 \$1.1 million).

The Group has maintained a focus on cost control, retaining cash and gradually repaying outstanding debt facilities whilst continuing to grow revenues across its business segments. The Group has also sought to re-establish a positive working relationship with MYOB, its key business partner in the Kilimanjaro business segment.

The Board-approved financial forecasts for FY25 and FY26 project sufficient cash available to satisfy all financial obligations which arise in the next 15 months from 30 June 2024. The forecast cash flows are dependent on the key assumptions outlined below.

- Achievement of targeted operational performance

The Group currently projects positive operating cash flows in both FY25 and FY26, largely consistent with those reported in FY24.

- Maintenance of contractual arrangements with MYOB

The Group's Kilimanjaro business segment's profitability is highly dependent upon the maintenance of existing contractual remuneration arrangements relating to the sale of MYOB software to end-users.

The forecast's assumptions have been stress tested against a range of scenarios including a revenue miss of 5% to budget, which demonstrates that while the cashflow forecast is sensitive to changes in key growth assumptions, the Group will have adequate cash resources without needing to resort to further capital raising.

Should the Group be unable to achieve the forecast cash flows mentioned above, the Group may have insufficient liquid assets to be able to continue as a going concern for a period of at least 12 months from the issuance of these financial statements.

Therefore, a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors consider the Group to be a going concern and believe the Group will achieve its financial forecasts to the extent necessary to ensure the Group will have sufficient liquidity to continue as a going concern and meet its financial obligations for the foreseeable future.

Notes to the Financial Statements

for the year ended 30 June 2024

2 SEGMENT INFORMATION

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

(a) Operational performance

BUSINESS SEGMENTS	Revenue		Operating profit	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Kilimanjaro Consulting	20,454	19,501	1,245	362
iSell	1,375	1,201	(434)	(2,125)
Corporate	36	49	(1,109)	(750)
	21,865	20,751	(298)	(2,513)
Equity earnings of associates and joint ventures			(211)	(330)
Impairment of intangible assets			293	(6,786)
Net interest expense			(203)	(219)
Profit/(loss) before taxation			(419)	(9,848)
Income Tax			373	(904)
Net profit/(loss) attributable to shareholders			(46)	(10,752)

GEOGRAPHIC SEGMENTS	Revenue	
	30 June 2024	30 June 2023
	\$'000	\$'000
New Zealand	6,762	6,868
Australia	14,916	13,711
EMEA*	159	154
North America	28	16
Asia	-	2
	21,865	20,751

* Europe, Middle East and Africa

(b) Interest, depreciation and amortisation

	Interest revenue		Interest expense		Depreciation and amortisation expense	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Zealand	5	17	180	200	288	290
Australia	3	3	31	39	1,453	2,515
	8	20	211	239	1,741	2,805

(c) Balance sheet information

	Non-current assets other than financing and deferred tax		Total assets		Total liabilities	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Kilimanjaro Consulting	4,122	3,011	11,605	9,727	11,459	9,937
iSell	1,285	1,424	1,555	1,618	1,354	1,998
Corporate	701	912	3,763	4,417	1,006	2,381
	6,108	5,347	16,923	15,762	13,819	14,316
Inter-segment elimination	-	-	(2,324)	(2,818)	(2,324)	(2,818)
	6,108	5,347	14,599	12,944	11,495	11,498
New Zealand	2,707	3,059	6,821	8,018	3,545	4,906
Australia	3,401	2,288	9,408	7,145	9,580	8,811
	6,108	5,347	16,229	15,163	13,125	13,717
Inter-segment elimination	-	-	(1,630)	(2,219)	(1,630)	(2,219)
	6,108	5,347	14,599	12,944	11,495	11,498

Notes to the Financial Statements

for the year ended 30 June 2024

3 REVENUE

Revenue from contracts with customers

The Group's primary activity is providing software solutions within Australia and New Zealand. From these activities the Group generates the following streams of revenue:

- Enterprise software licence revenue
- Implementation and consulting revenue
- Other fees such as hosting fees and hardware sales
- Support services revenue
- iSell revenue

Each of the above streams delivered to customers are considered separate performance obligations, even though for practical reasons they may be governed by a single legal contract with the customer. Revenue recognition for each of the above revenue streams is as follows:

Revenue stream	Performance obligation	Timing of recognition
Enterprise software licence revenue	Initial access or continued access to the software	Software licence revenue under NZ IFRS 15 is recognised through an agency arrangement and therefore the agency revenue margin is recognised in the statement of comprehensive income. The revenue is calculated based on commission margin percentages agreed between the Group and the third-party licensor. The agency commission is recognised at a point in time when the customer gains access to the software or is provided with continued use of the software, generally through providing a code to enable continued access. Customers are typically invoiced annually (but sometimes monthly) for recurring software licences and commissions are recognised once the performance obligation has been satisfied.
Services and support revenue - Support contracts	Closure of support query or standing ready to provide support	Support contract revenue is recognised at a point in time as the services are delivered. The contract is between the customer and Enprise, as principal. Revenue from providing support services is recognised in the accounting period in which the services are rendered. Revenue is calculated based on time and cost incurred, a fixed monthly charge or a combination of both. Recognition is determined based on the contract with the customer. This can be: <ul style="list-style-type: none"> - actual labour hours spent to resolve the query, - an agreed monthly charge plus actual labour hours spent to resolve the query not covered by the monthly agreed charge, or - an agreed monthly charge. Customers are typically invoiced monthly when the job has been closed. Consideration is payable when invoiced and corresponds directly to the performance completed to date in respect to this revenue stream.
Services and support revenue - Implementation and consulting revenue	At completion of data conversions, user acceptance testing (UAT) or specific solution provided.	Revenue is recognised at a point and time when the solution has been delivered. Revenue provided from services is recognised in the accounting period in which the solution has been provided. Recognition is determined based on the contract, either a fixed price or actual labour hours spent. Revenue is recognised in full at the end of the project when go-live has occurred. Customers are typically invoiced throughout the project and consideration is payable when invoiced. The invoiced amount is shown as a contract liability on the balance sheet until such time as the performance obligation has been met and recognised in revenue.
iSell revenue - Software licence revenue cloud system	Right to access the software	Revenue is recognised throughout the licence period and in the period in which the service occurs. Customers are typically invoiced in arrears for usage rendered. The revenue is shown as a contract asset on the balance sheet as the performance obligation has been met and released to the statement of comprehensive income but the client has not yet been invoiced. Clients invoiced annually are held on the balance sheet and the revenue released monthly as the performance obligation occurs.
iSell revenue - Software licence revenue legacy system	Right to use the software	Revenue is recognised at a point in time, and in the period in which the software has been invoiced. Customers are typically invoiced for a period of time for expected upcoming usage as they are typically not yet able to use or be migrated to the new cloud system. Annual charges for legacy system customers invoiced after 1 January 2021 comes with the promise of a credit if the customer transitions to the new cloud system during the invoiced period. Revenue with this promise is deferred and recognised monthly.
iSell revenue - Other	- Onboarding fees	Revenue is recognised during the period in which the services have been rendered or the goods supplied.
ExoHosted revenue	- Hosting services	Revenue is recognised during the period in which the services have been rendered or the goods supplied.
Other fees	- Training - Hardware	Revenue is recognised during the period in which the services have been rendered or the goods supplied.

These financial statements should be read in conjunction with the Auditor's report.

Notes to the Financial Statements

for the year ended 30 June 2024

3 REVENUE (CONTINUED)

	30 June 2024	30 June 2023
	\$'000	\$'000
Revenue from enterprise software and licences	5,578	5,298
Revenue from services and support	12,894	12,488
Revenue from iSell	1,375	1,201
Revenue from hosting services	2,015	1,762
Revenue from other fees	3	2
	21,865	20,751

(a) Revenue by geographical location

30 June 2024	Revenue from software and licences	Revenue from services and support	Revenue from iSell	Revenue from hosting services	Revenue from other fees	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Zealand	1,926	3,883	201	750	2	6,762
Australia	3,652	9,011	987	1,265	1	14,916
EMEA*	-	-	159	-	-	159
North America	-	-	28	-	-	28
Asia	-	-	-	-	-	-
	5,578	12,894	1,375	2,015	3	21,865

* Europe, Middle East and Africa

30 June 2023	Revenue from software and licences	Revenue from services and support	Revenue from iSell	Revenue from hosting services	Revenue from other fees	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
New Zealand	1,605	4,379	179	703	2	6,868
Australia	3,693	8,109	850	1,059	-	13,711
EMEA*	-	-	154	-	-	154
North America	-	-	16	-	-	16
Asia	-	-	2	-	-	2
	5,298	12,488	1,201	1,762	2	20,751

(b) Revenue by operating segment

Kilimanjaro Consulting	30 June 2024	30 June 2023
	\$'000	\$'000
Recurring revenue from enterprise software licences	4,739	4,481
Contracted revenue from hosting and support agreements	4,787	4,171
Revenue from other services	10,928	10,849
	20,454	19,501

iSell	30 June 2024	30 June 2023
	\$'000	\$'000
Recurring revenue from iSell software licences	1,178	1,097
Revenue from other services	197	104
	1,375	1,201

Corporate	30 June 2024	30 June 2023
	\$'000	\$'000
Revenue from services	36	49
	36	49

Critical accounting judgements and estimates

Some contracts include multiple deliverables, such as software licences and implementation services. However, because the implementation does not include material customisation to the software and could be provided by another party, the implementation services are accounted for as a separate performance obligation from software licences. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices.

The group does not expect to recognise any revenue on existing contracts outside the 12 months post year end.

Notes to the Financial Statements

for the year ended 30 June 2024

4 OTHER INCOME

(a) Other operating income

Dividend income

Dividend income is recorded in the profit or loss when the Group's right to receive the dividend is established.

	30 June 2024	30 June 2023
	\$'000	\$'000
Research and development tax credit	88	-
Dividend income	1	-
	89	-

5 OPERATING EXPENSES

(a) Other gains and losses

	30 June 2024	30 June 2023
	\$'000	\$'000
Net gain/(loss) on provisions	142	-
Net foreign exchange gains/(losses)	(29)	(77)
Other gains/(losses)	113	(77)

(b) Finance income and costs

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method. The effective interest method calculates the amortised cost of a financial asset or liability and allocates the interest income over the relevant period.

Interest expense

Interest costs are expensed in the period in which they are incurred.

	30 June 2024	30 June 2023
	\$'000	\$'000
Finance income		
Interest from financial assets held for cash management purposes	6	5
Interest from loans to related parties	-	14
Interest from other loans and receivables	2	1
	8	20
Finance costs		
Interest on bank overdrafts and loans	(127)	(161)
Interest on lease liabilities	(84)	(78)
	(211)	(239)
Net finance income and costs	(203)	(219)

Notes to the Financial Statements

for the year ended 30 June 2024

5 OPERATING EXPENSES (CONTINUED)

(c) Other operating expenses

Low-value and short-term lease costs

Leases that are not classified as a right-of-use asset have been classified as low-value and short-term leases. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise of IT equipment and small items of office furniture.

Other operating expenses include	30 June 2024	30 June 2023
	\$'000	\$'000
Advertising and marketing	362	338
Amortisation	976	1,965
Auditors' remuneration	178	136
Bad and doubtful debts expense	-	120
Communications	147	161
Depreciation	765	840
Hosting costs	1,202	1,351
Insurance	94	86
Legal fees	271	330
Low-value and short-term lease costs	177	141
Professional services	100	134
Subcontractors	621	662
Travel expenses	272	245
Other operational expenses	1,185	894
	6,350	7,403

(i) Amortisation and impairment

	30 June 2024	30 June 2023
	\$'000	\$'000
Amortisation of software (note 17)	733	1,719
Amortisation of customer relationships (note 17)	178	181
Amortisation of intellectual property (note 17)	65	65
	976	1,965

(ii) Auditors' remuneration

	30 June 2024	30 June 2023
	\$'000	\$'000
For auditing the Group financial statements		
RSM Hayes Audit	-	31
UHY Haines Norton	176	103
Other Services		
Audit of iSell Philippines (R.P. Mora Accounting and Law Office)	2	2
	178	136

(iii) Bad and Doubtful Debts

	30 June 2024	30 June 2023
	\$'000	\$'000
Bad debts recognised	23	1
Bad debts recovered	-	-
Changes in provision for bad and doubtful debts	(23)	119
	-	120

(iv) Depreciation

	30 June 2024	30 June 2023
	\$'000	\$'000
Property plant and equipment (note 16)	204	234
Right-of-use assets (note 18)	561	606
	765	840

(d) Employee benefit expense

	30 June 2024	30 June 2023
	\$'000	\$'000
Wages and salaries	14,809	14,668
Superannuation	1,114	1,028
Directors fees	92	88
	16,015	15,784

These financial statements should be read in conjunction with the Auditor's report.

Notes to the Financial Statements

for the year ended 30 June 2024

6 TAXATION

(a) Income tax recognised in profit or loss

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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and unutilised tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Temporary differences that can reasonably be foreseen in the next accounting period have been recognised as a deferred tax asset.

	30 June 2024	30 June 2023
	\$'000	\$'000
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax on prior periods	-	-
Total current tax expense	-	-
Total deferred tax expense/(benefit)	(373)	904
Total income tax expense/(benefit)	(373)	904

(b) Reconciliation of income tax expense to prima facie tax payable

	30 June 2024	30 June 2023
	\$'000	\$'000
Profit before income tax	(419)	(9,848)
Tax at the New Zealand domestic tax rate of 28%	(117)	(2,757)
Adjusted for the tax effect of:		
Non deductible expenses	195	637
Non assessable income	(3)	-
Difference in overseas tax rates	35	(29)
Impairment of intangible assets	(82)	1,900
Reversal of previously recognised tax losses	-	783
Other unrecognised timing differences and tax losses	(401)	370
Total deferred tax expense/(benefit)	(373)	904
Total income tax expense/(benefit)	(373)	904

(c) Current tax assets and liabilities

	30 June 2024	30 June 2023
	\$'000	\$'000
Current tax assets		
Income tax refundable/(payable)	1	24
	1	24

Notes to the Financial Statements

for the year ended 30 June 2024

6 TAXATION (CONTINUED)

(d) Deferred tax balances

Deferred tax asset	30 June 2024	30 June 2023
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Future benefit of losses incurred	-	-
Future benefit of provisions and accruals	217	234
Employee benefits	576	453
Contract liabilities	297	250
Lease liabilities	620	330
Total deferred tax asset	1,710	1,267

Deferred tax liability	30 June 2024	30 June 2023
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
Customer relationships	(19)	(58)
Contract asset	(145)	(155)
Future liability of provisions and accruals	-	(204)
Right-of-use asset	(575)	(293)
Total deferred tax liability	(739)	(710)

Movements	<i>Right-of use assets & lease liabilities</i>	<i>Customer relationships</i>	<i>Tax losses</i>	<i>Provisions & accruals inc employee</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2022	35	(99)	783	822	1,541
(Charged)/credited to profit or loss	2	41	(783)	(244)	(984)
At 30 June 2023	37	(58)	-	578	557

Movements	<i>Right-of use assets & lease liabilities</i>	<i>Customer relationships</i>	<i>Tax losses</i>	<i>Provisions & accruals inc employee</i>	<i>Total</i>
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2023	37	(58)	-	578	557
(Charged)/credited to profit or loss	8	39	-	367	414
At 30 June 2024	45	(19)	-	945	971

Critical accounting judgements and estimates

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

Judgement is required to assess the deferred tax asset in relation to losses available. The balance represents the reasonable benefit that the Group is expected to utilise in the next two financial years. The Directors have not recognised the benefit of unutilised tax losses beyond two years due to uncertainty with regards to future shareholder continuity. This assessment was determined based on the budgeted profitability of the Group.

Subject to the various income tax legislations being met the losses carried forward at 30 June 2024 are estimated to be \$3,385,391 [NZ \$3,385,391; AU\$nil] (last year: \$5,024,567) of which \$nil has been recognised as a deferred tax asset (last year: \$nil). Deferred tax losses are not recognised in relation to iSell Pty Limited, which has an estimated AU\$4,067,132 of losses to carry forward (last year: AU\$4,860,965).

(e) Imputation credits available for use

Subject to the provisions of the Income Tax Act 2007, the benefit of these credits may be passed to the shareholders as imputed tax paid on future dividends.

	30 June 2024	30 June 2023
	\$'000	\$'000
New Zealand imputation credits available	1	10

Notes to the Financial Statements

for the year ended 30 June 2024

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of shares on issue during the year. Diluted earnings per share assumes conversion of all dilutive potential ordinary shares in determining the denominator.

There are no instruments that could potentially dilute earnings per share.

	30 June 2024	30 June 2023
Earnings for the purpose of basic and diluted earnings per share:		
Net profit/(loss) attributable to shareholders (\$'000)	(7)	(10,279)
Weighted average number of ordinary shares for basic earnings per share (000s)	19,412	16,901
Basic and diluted earnings per share (cents)	(0.04)	(60.82)

8 TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised at cost less any provision for impairment. All trade and other receivables have been classified as current assets.

	30 June 2024	30 June 2023
	\$'000	\$'000
Trade receivables	2,887	2,756
Related party receivable (note 22(d)).	4	3
Other receivables	560	1,057
Provision for impairment	(218)	(241)
	3,233	3,575
Prepayments	307	336
	3,540	3,911

Allowance for impairment loss

The average credit period on sales of licences and services is 40 days. No interest is charged on outstanding trade receivables.

The Group measures the loss allowance on the balance of trade receivables at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix referring to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions in which the debtors operate and an assessment of both the current and forecast direction of conditions at the reporting date.

Bad debts are written-off when they are considered to have become uncollectable.

The aging of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for impairment	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
			\$'000	\$'000	\$'000	\$'000
0-30 days	1.0%	1.0%	2,223	2,037	22	20
31-60 days	5.0%	5.0%	364	425	18	21
61-90 days	50.0%	50.0%	200	93	100	47
+91 days	75.0%	75.0%	104	204	78	153
			2,891	2,759	218	241

Movements in the provision for impairment loss were as follows:

	30 June 2024	30 June 2023
	\$'000	\$'000
Balance at the beginning of the period	(241)	(122)
Additional provisions recognised	3	(125)
Receivables written off during the year	20	6
Balance at the end of the period	(218)	(241)

Notes to the Financial Statements

for the year ended 30 June 2024

9 CONTRACT ASSETS

A contract asset is recognised for amounts relating to services rendered but not yet recognised. The costs recognised as contract assets are released to the statement of comprehensive income when the related revenue for the contract is released.

	30 June 2024	30 June 2023
	\$'000	\$'000
Contract assets	635	669

The reconciliation of the values at the beginning and end of the current and previous financial year are set out below:

	30 June 2024	30 June 2023
	\$'000	\$'000
Balance at the beginning of the period	669	831
Transfer from contract assets to expenses	(669)	(831)
Costs incurred for work performed but not yet recognised	635	669
Balance at the end of the period	635	669

10 OTHER ASSETS

	30 June 2024	30 June 2023
	\$'000	\$'000
Security deposits	364	36
<i>Classified as</i>		
Current	-	-
Non-current	364	36
	364	36

11 TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

	30 June 2024	30 June 2023
	\$'000	\$'000
Trade payables	1,336	1,516
Related party payables (note 22(d)).	11	19
Payroll taxes and other statutory liabilities	753	658
Other payables and accruals	1,282	1,237
	3,382	3,430

Notes to the Financial Statements

for the year ended 30 June 2024

12 PROVISIONS

Wages, salaries, annual leave, long service leave

Liabilities for wages and salaries, including non-monetary benefits, and 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. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

	30 June 2024	30 June 2023
	\$'000	\$'000
Employee benefits	2,219	2,180
Leasehold make good provision	154	161
	2,373	2,341
<i>Classified as</i>		
Current	2,063	1,985
Non-current	310	356
	2,373	2,341

13 CONTRACT LIABILITIES

A contract liability is recognised for amounts received or due relating to services performed or expected to be performed. The Group's revenue recognition policy is stated at Note 3 which details when each class of revenue is released to the profit and loss.

	30 June 2024	30 June 2023
	\$'000	\$'000
Contract liabilities	1,724	1,452
Deposits from customers	231	237
Contract liabilities	1,955	1,689

The reconciliation of the values at the beginning and end of the current and previous financial period are set out below:

	30 June 2024	30 June 2023
	\$'000	\$'000
Balance at the beginning of the period	1,689	2,582
Decrease due to revenue recognised from performance obligations satisfied	(1,689)	(2,582)
Invoices raised for work performed but not yet recognised	1,955	1,689
Balance at the end of the period	1,955	1,689

Notes to the Financial Statements

for the year ended 30 June 2024

14 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in joint ventures and associates are accounted for using the equity method and are measured in the statement of financial position at cost adjusted for the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Goodwill relating to associates and joint ventures is included in the carrying amount of the investment.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

If the carrying amount of the equity accounted investment exceeds its recoverable amount, it is written down to the latter. When the Group's share of accumulated losses in an associate or joint venture equals or exceeds its carrying value, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

The requirements of NZ IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with NZ IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with NZ IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

Carrying amount of joint ventures and associates	30 June 2024	30 June 2023
	\$'000	\$'000
Carrying amount at the beginning of the period	912	285
New investment in joint ventures and associates	-	957
Equity earnings/(losses) from associates and joint ventures	(220)	(330)
Other gains/(losses) related to associates and joint ventures	9	-
	701	912

Investment by joint venture or associate	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Investment in equity accounted joint venture</i>		
Datagate Innovation Limited	701	912
	701	912

(a) Joint ventures and associates

The Group's joint venture and associates at 30 June 2024 are set out below. The country of incorporation or registration is New Zealand, their principal places of business are New Zealand and North America.

<i>Name of Entity</i>	<i>Country of incorporation</i>	<i>Principal Activity</i>	<i>Percentage ownership</i>	
			30 June 2024	30 June 2023
Datagate Innovation Limited	New Zealand	Software sales	32.92	32.96

Notes to the Financial Statements

for the year ended 30 June 2024

14 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES (CONTINUED)

(b) Summary financial information

Datagate Innovation Limited	30 June 2024	30 June 2023
	\$'000	\$'000
Net assets/(liabilities)	(113)	227
Proportion of the Group's ownership interest in the equity accounted investment	(37)	75
Goodwill	738	837
Carrying amount of the Group's interest in the equity accounted investment	701	912
Summary of joint venture's financial statements		
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Assets and liabilities of joint ventures are as follows:</i>		
Current assets	696	1,032
Non-current assets	17	18
Current liabilities	(388)	(388)
Non-current liabilities	(438)	(435)
	(113)	227
<i>Results of equity accounted investment</i>		
Revenue	3,928	3,169
Losses after taxation	(687)	(1,032)
Total comprehensive income	(687)	(1,032)
Group share of loss	(221)	(330)
<i>The Enprise Group recorded the following within its statement of comprehensive income for the period related to Datagate :</i>		
Gain on dilution	9	-
Share of operating loss	(221)	(330)
Total recognised within the group's profit	(212)	(330)
Other key financial information		
	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Balance sheet</i>		
Cash and cash equivalents	177	586
Trade and other receivables	513	444
Trade and other creditors	(124)	(388)
Property, plant and equipment	16	16
Intangible assets	2	2
<i>Profit and loss</i>		
Depreciation and amortisation	6	25
Interest income	(20)	(10)
Interest expense	3	-
Income tax expense or benefit	-	-

Datagate Innovation Limited (Datagate) is a software company which provides online billing solutions for telecommunication services and other usage based services.

Datagate is a limited liability company whose legal form confers separation between the shareholders and the company itself. Datagate is governed by a Shareholder Agreement. The Shareholders Agreement states that at least 75% of the board of directors are required to approve all relevant activities. Up to March 2021, Enprise had the ability to appoint one out of three directors and therefore previously had joint control. Furthermore, the parties to the joint arrangement have rights to the net assets of the arrangement on wind up. As a result of an additional director being appointed to the Board in March 2021, Enprise is no longer considered to have joint control, but retains significant influence over this investment. The investment remains accounted for under the equity method.

Datagate has been involved in a number of capital raising events, the last being in November 2022 where the Group acquired an additional 92,610 shares. No further shares were acquired during this financial year.

The Board is comfortable that there is no impairment to the carrying value of Datagate. Recent share trades at \$2.80 per share would value Datagate at \$20,509,073 (last year: \$2.486 per share totalling \$18,182,492). Enprise's share would have an implied value of \$6,750,867 (last year: \$5,993,806) which would be substantially higher than the carrying value. If the Board decided to liquidate this asset the recovery is expected to be significantly higher than the carrying value.

Notes to the Financial Statements

for the year ended 30 June 2024

15 INVESTMENTS IN OTHER ENTITIES

The Group has made a decision to adopt NZ IFRS 9 to measure the equity investment in Vadacom Holdings Limited at fair value through other comprehensive income (FVOCI).

Management continues to hold the assets for the medium to long term and the assets are therefore recognised as non-current. The Group revalued the investments at fair market value at the end of the financial year.

Carrying amount of investments in other entities	30 June 2024	30 June 2023
	\$'000	\$'000
Carrying amount at the beginning of the year	452	627
Changes in fair value of other investments	-	(175)
	452	452
	30 June 2024	30 June 2023
	\$'000	\$'000
Vadacom Holdings Limited	452	452

In November 2017, the Group acquired a 6.49% shareholding in Vadacom Holdings Limited, a cloud based VOIP phone and virtual PABX provider. Subsequent changes in shares since has resulted in a reduction of Enprise's shareholding to 6.35% at balance date.

During the 2021 financial year Vadacom Limited purchased back shares through a share buy back. Enprise considers this repayment a recovery of part of the cost of the investment. The balance of the buyback was repaid during this financial year.

At 30 June 2024, the shares in Vadacom Holdings Limited have been valued at \$9.55 (last year: \$9.55) resulting in no change in value (last year: loss of \$175,365). Gains/losses are recognised as other comprehensive income when they occur.

The table below summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement.

Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	2024	2023	
Recurring revenue (\$'000)	2,297	2,276	Increasing recurring revenue, non recurring revenue, the recurring revenue multiple, and the non recurring revenue multiple each by 5% would increase fair value by \$46,370 (last year: 5%; \$51,020). Lowering each of the above inputs by 5% would decrease fair value by \$44,100 (last year: 5%; \$48,530).
Non recurring revenue (\$'000)	761	897	
Recurring revenue multiple	2.77x	3.05x	
Non recurring revenue multiple	1.00x	1.00x	

Notes to the Financial Statements

for the year ended 30 June 2024

16 PROPERTY PLANT AND EQUIPMENT

Property, 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 the statement of comprehensive income as incurred.

Depreciation on fixed assets is calculated using the diminishing value method to allocate their costs, net of their residual values over their estimated useful lives as follows:

Computer equipment	20-50%
Furniture and fittings	10-50%
Office equipment	10-50%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use.

	Leasehold Improvement	Computer equipment \$'000	Furniture and fittings \$'000	Office equipment \$'000	Total \$'000
At 1 July 2022					
Cost		622	297	143	1,062
Accumulated depreciation		(387)	(219)	(108)	(714)
Net book value		235	78	35	348
Period ended 30 June 2023					
Opening net book value amount		235	78	35	348
Additions	183	62	-	14	259
Depreciation charge	(85)	(119)	(14)	(16)	(234)
Foreign exchange gain/(loss)	-	16	-	(1)	15
Closing net book value	98	194	64	32	388
At 30 June 2023					
Cost	183	700	295	156	1,334
Accumulated depreciation	(85)	(506)	(231)	(124)	(946)
Net book value	98	194	64	32	388
Year ended 30 June 2024					
Opening net book value amount	98	194	64	32	388
Additions	108	88	-	6	202
Disposals	-	(3)	-	-	(3)
Depreciation charge	(86)	(92)	(13)	(13)	(204)
Gain/loss on disposal	-	-	-	-	-
Foreign exchange gain/(loss)	(2)	2	-	-	-
Closing net book value	118	189	51	25	383
At 30 June 2024					
Cost	137	787	295	162	1,381
Accumulated depreciation	(19)	(598)	(244)	(137)	(998)
Net book value	118	189	51	25	383

Notes to the Financial Statements

for the year ended 30 June 2024

17 INTANGIBLE ASSETS

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration paid above the fair value of the net identifiable assets, liabilities and contingent consideration acquired.

Goodwill is assessed as having an indefinite useful life and is not amortised but is subject to impairment testing annually or whenever there are indications of impairment.

For the purpose of impairment testing, goodwill has been allocated to the cash-generating units (CGU). The impairment test is based on either an estimated recoverable amount (value in use) or the fair value less costs. Estimated future cash flow projections are based on the Group's five-year business plan for the business units.

Customer relationships

Customer relationship costs are carried at cost (being assessed from value on acquisition) 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 method over a period of 5 years. The amortisation has been recognised in the statement of comprehensive income within depreciation and amortisation expense. 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.

Software

"In-house" developed or acquired software costs are capitalised on completion and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3-5 years. Employment costs associated with developing the software are capitalised when the costs are incurred. The amount of the charges capitalised is based on the proportionate time each employee spends on developing the software.

The amortisation of the intangible asset, Software has been made which reflects the boards view that the estimated useful life of the internally generated asset is 4 years not 10 years as used in financial statements up to and including 30 June 2022.

Intellectual property is pre-purchased developed software costs and amortised on a straight-line basis over the remaining period of their expected benefit.

	Intellectual Property \$'000	Software \$'000	Customer relationships \$'000	Goodwill \$'000	Total \$'000
At 1 July 2022					
Cost	325	3,474	1,276	7,720	12,795
Accumulated amortisation and impairment	(65)	(688)	(811)	-	(1,564)
Net book value	260	2,786	465	7,720	11,231
Period ended 30 June 2023					
Opening net book value amount	260	2,786	465	7,720	11,231
Additions	-	517	-	-	517
Exchange differences	-	(42)	(7)	-	(49)
Amortisation charge	(65)	(1,719)	(181)	-	(1,965)
Impairment charge	-	(165)	(128)	(6,493)	(6,786)
Closing net book value	195	1,377	149	1,227	2,948
At 30 June 2023					
Cost	325	3,949	1,269	7,720	13,263
Accumulated amortisation and impairment	(130)	(2,572)	(1,120)	(6,493)	(10,315)
Net book value	195	1,377	149	1,227	2,948
Year ended 30 June 2024					
Opening net book value amount	195	1,377	149	1,227	2,948
Additions	-	524	-	-	524
Exchange differences	-	4	(1)	-	3
Amortisation charge	(65)	(733)	(178)	-	(976)
Impairment charge reversal	-	165	128	-	293
Closing net book value	130	1,337	98	1,227	2,792
At 30 June 2024					
Cost	325	4,477	1,268	7,720	13,790
Accumulated amortisation and impairment	(195)	(3,140)	(1,170)	(6,493)	(10,998)
Net book value	130	1,337	98	1,227	2,792

Notes to the Financial Statements

for the year ended 30 June 2024

17 INTANGIBLE ASSETS (CONTINUED)

Significant intangible assets held are as follows:

	Carrying amount \$'000	Remaining amortisation period
Customer relationships - Kilimanjaro Consulting Pty Limited	76	6 months
Customer relationships - iSell Pty Limited	22	11 months
Software - ITQuoter	1,237	12-48 months
Intellectual Property	130	24 months

The carrying amounts of goodwill allocated to the cash generating units are outlined below:

	30 June 2024 \$'000	30 June 2023 \$'000
Kilimanjaro Consulting - New Zealand	1,227	1,227
Kilimanjaro Consulting - Australia	-	-
iSell	-	-
	1,227	1,227

(a) Impairment Testing - Kilimanjaro

An assessment of the fair value of the Kilimanjaro cash generating units (CGU's) was conducted at year end, for the purpose of considering the fair value less cost of disposal of the CGU. The Level 3 fair value estimate was lower than the carrying value of the Kilimanjaro AU cash generating unit, but higher than the NZ cash generating unit. Information pertaining to each CGU is presented below.

Australian cash generating unit

	30 June 2024	30 June 2023
Recoverable amount	6,065	270
Carrying amount	1,729	5,869
Impairment	-	(5,599)

The details below summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement.

The valuation technique has been adjusted from a earnings multiple valuation methodology in the years up to and including 30 June 2022, to a discounted cash flow methodology in the previous and current year. This revised methodology was adopted to more accurately capture expected future changes in the various revenue streams of the entity, and their divergent impact on profitability.

The discounted cash flow valuation used to determine the CGU's recoverable amount in the current period uses 5 years of projected cash flows and a terminal value.

Key assumption	Value	Basis for determining value assigned to key assumptions	
Growth rate	5.40%	Determined based on historical trend growth and management's future expectations	
Weighted average cost of capital (WACC)	13.47%	Determined primarily based on external sources of information, adjusted for entity specific risks.	
Sensitivity analysis	Current value	Reasonably possible change	Impact of change
Growth rate	4.77%	Decrease by 3%	No impairment loss
Weighted average cost of capital (WACC)	12.04%	Increase by 1%	Decrease in recoverable amount by \$62,740

Notes to the Financial Statements

for the year ended 30 June 2024

17 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment Testing - Kilimanjaro

New Zealand cash generating unit

The table below summarises the quantitative information about the significant unobservable inputs used in this level 3 fair value measurement.

Key assumption	Value	Basis for determining value assigned to key assumptions
Growth rate	3.40%	Determined based on historical trend growth and management's future expectations
Weighted average cost of capital (WACC)	11.72%	Determined primarily based on external sources of information, adjusted for entity specific risks.
Sensitivity analysis	Current value	Reasonably possible change
Growth rate	3.40%	No reasonably possible change which would cause an impairment loss
Weighted average cost of capital (WACC)	11.72%	No reasonably possible change which would cause an impairment loss

(b) Impairment Testing - iSell Pty Limited

An independent assessment of the fair value of the iSell cash generating unit (CGU's) was conducted at 30 June 2023, for the purpose of considering the fair value less cost of disposal of the CGU. The Level 2 fair value estimate was lower than the carrying value of the cash generating unit. Information pertaining to each CGU is presented below.

	30 June 2024	30 June 2023
Recoverable amount	2,101	2,039
Carrying amount	1,259	3,620
Impairment	-	(1,581)

The table below summarises the quantitative information about the significant inputs used in this level 2 fair value measurement.

The valuation technique has been adjusted from a earnings multiple valuation methodology in the prior year to a comparable sales methodology in the current year. This revised methodology was adopted as a capital raising conducted after year end provided more direct and comparable valuation evidence as to the value of iSell shares.

Key assumption	Value	Basis for determining value assigned to key assumptions
Value per share	A\$0.12	Determined based on the latest capital raise
Sensitivity analysis	Current value	Reasonably possible change Impact of change
Value per share	A\$0.12	Decrease by 10% No impairment loss

Notes to the Financial Statements

for the year ended 30 June 2024

18 RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, and any initial direct costs incurred by the lease.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

The Group's right-of-use assets consist only of property leases which up until 31 March 2019 were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 April 2019, leases are recognised as a right-of-use asset and a lease liability at the lease commencement date.

	Property \$'000	Total \$'000
At 1 July 2022		
Cost	2,296	2,296
Accumulated depreciation	(956)	(956)
Net book value	1,340	1,340
Year ended 30 June 2023		
Opening net book value amount	1,340	1,340
Additions	373	373
Exchange differences	(9)	(9)
Depreciation charge	(606)	(606)
Closing net book value	1,098	1,098
At 30 June 2023		
Cost	2,648	2,648
Accumulated amortisation and impairment	(1,550)	(1,550)
Net book value	1,098	1,098
Year ended 30 June 2024		
Opening net book value amount	1,098	1,098
Additions	1,677	1,677
Exchange differences	18	18
Depreciation charge	(561)	(561)
Closing net book value	2,232	2,232
At 30 June 2024		
Cost	3,617	3,617
Accumulated amortisation and impairment	(1,385)	(1,385)
Net book value	2,232	2,232

Changes to leases during the year were as follows:

Kilimanjaro Consulting Pty Limited entered into a 76 month lease at 100 Arthur Street, North Sydney. This lease takes over from the previous occupancy at Walker Street. The lease includes a four month rent free period with an additional rental incentive for fitout, with any unused portion to be amortised over the remaining life of the lease.

Kilimanjaro Consulting Pty Limited entered into a 25 month lease at 10 Darcy Street, Paramatta. This lease takes over from the previous Paramatta site.

Kilimanjaro Consulting Limited entered into a new 3 year lease at 276 Lambton Quay in Wellington. This occupancy was formally a sub-lease, Kilimanjaro is now the main tenant on this lease.

No other leases came up for renewal during the year, there are no leases that require negotiation or renewal during the upcoming financial year.

Notes to the Financial Statements

for the year ended 30 June 2024

19 BORROWINGS

Cash on hand and at bank

Cash and cash equivalents in the statement of financial position are comprised 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 on hand and at bank.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the net proceeds and the redemption amount is recognised in the profit and loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

	30 June 2024	30 June 2023
	\$'000	\$'000
<i>Current cash on hand / (borrowings)</i>		
Cash on hand and at bank	1,737	1,178
Bank overdraft	-	(949)
Cash and cash equivalents	1,737	229
Bank borrowings	(407)	(1,147)
Other borrowings	-	-
Current net cash equivalents (borrowings)	1,330	(918)
<i>Non-current borrowings</i>		
Bank borrowings	(242)	-
Other borrowings	-	-
Non-current borrowings	(242)	-
Net cash on hand	1,088	(918)

(a) Summary of borrowing arrangements

The Bank of New Zealand (BNZ) has provided the following facilities to Enprise Group Limited:

- An overdraft facility of \$1,000,000
- A commercial loan of \$947,680 of which \$200,000 is available to redraw at 30 June 2024 (last year: \$nil). The loan matures on 24 April 2026 and requires quarterly principal payments of \$98,720. The bank's debt is secured by PPSR over all the assets of Enprise Group Limited, Kilimanjaro Consulting Pty Limited and Kilimanjaro Consulting Limited.

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from financing activities:

	Bank borrowings	Other borrowings	Lease liabilities
	\$'000	\$'000	\$'000
At 1 July 2022	812	41	1,465
Non-cash changes	-	-	373
Financing cash inflows	723	-	-
Financing cash outflows	(388)	(42)	(595)
Exchange differences	-	1	(11)
Balance as at 30 June 2023	1,147	-	1,232
Non-cash changes	-	-	1,677
Financing cash inflows	-	-	-
Financing cash outflows	(498)	-	(532)
Exchange differences	-	-	20
Balance as at 30 June 2024	649	-	2,397

Notes to the Financial Statements

for the year ended 30 June 2024

20 LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	30 June 2024	30 June 2023
	\$'000	\$'000
Lease liabilities	2,397	1,232
<i>Classified as</i>		
Current	203	498
Non-current	2,194	734
	2,397	1,232

(a) Remaining contractual cash flows

Maturity analysis of the contractual undiscounted cash flows are as follows:

	30 June 2024	30 June 2023
	\$'000	\$'000
Not later than one year	383	551
Later than one year but not later than 5 years	2,094	821
Later than 5 years	532	-
	3,009	1,372

(b) Amounts recognised in statement of comprehensive income

	30 June 2024	30 June 2023
	\$'000	\$'000
Interest on lease liabilities	84	78
Expenses relating to short term leases	177	146
	261	224

(c) Amounts recognised in statement of cash flows

	30 June 2024	30 June 2023
	\$'000	\$'000
Cash outflows recognised within cash flows from operating activities		
Interest element of lease payments	84	78
Cash outflows recognised within cash flows from financing activities		
Principal elements of lease payments	532	595

(d) Critical accounting judgements and estimates

Lease Term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the Financial Statements

for the year ended 30 June 2024

21 EQUITY

(a) Share capital

Share capital comprises of ordinary shares only. 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.

All shares on issue are fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary share and have equal dividend rights and no par value.

Contributed equity - ordinary shares	Number of authorised shares		Share capital	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	shares	shares	\$'000	\$'000
Opening ordinary shares	17,430,061	16,157,699	12,080	11,010
Rights issue	2,637,996	1,210,662	1,312	1,017
Staff share issue	-	61,700	-	53
	20,068,057	17,430,061	13,392	12,080

On 29 September 2023, the group issued 2,637,996 shares under the rights issue at \$0.50 per share.

(b) Dividends

	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	cents per share	cents per share	\$'000	\$'000
Final dividend for the period ended 30 June 2022	-	-	-	-
Interim dividend for the period ended 30 June 2023	-	-	-	-
Final dividend for the period ended 30 June 2023	-	-	-	-
Interim dividend for the period ended 30 June 2024	-	-	-	-
	-	-	-	-

22 RELATED PARTY TRANSACTIONS

(a) Interest in other entities

The Group's principal subsidiaries are set out in note 1(d). Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group. The country of incorporation or registration is also their principal place of business.

(b) Ultimate parent

The ultimate parent entity and controlling party is Enprise Group Limited. The Parent is domiciled in New Zealand.

(c) Transactions with related parties

During the period, the Group entered into the following trading transactions with related parties.

Name of entity	Sale of services		Purchase of services	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Vadacom Limited*	42	36	-	-
Next Telecom*	-	-	30	35
Datagate Innovation Limited	-	13	-	-
	42	49	30	35

* Vadacom Limited and Next Telecom Limited are subsidiaries of Vadacom Holdings Limited

(d) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties.

Name of entity	Amounts owed by related parties		Amounts owed to related parties	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
Next Telecom Limited	-	-	3	7
Vadacom Limited	4	3	-	-
Ridgway Investments (Aaron Ridgway)	-	-	2	-
The Sales Factory (Nicholas Paul)	-	-	4	-
Global CFO Solutions (Anessha Varghese-Cowan)	-	-	2	-
Nightingale Partners (Lindsay Phillips)	-	-	-	12
	4	3	11	19

Notes to the Financial Statements

for the year ended 30 June 2024

22 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans to/from related parties

The following balances are outstanding at the end of the reporting period.

Name of entity	Amounts owed by related parties		Amounts owed to related parties	
	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2024 \$'000	30 June 2023 \$'000
Vadacom Holdings Limited	-	32	-	-
	-	32	-	-
Current	-	-	-	-
Non-Current	-	32	-	-
	-	32	-	-

(f) Key management personnel

Key management compensation to directors of the Group was as follows:

	30 June 2024 \$'000	30 June 2023 \$'000
Salaries, bonuses and commissions	550	517
Superannuation	41	36
Other long term employee benefits	5	8
Consultancy fees	-	-
Directors' fees	92	88
	688	649

Key management did not receive any termination benefits during the period (last year: nil).

Key management received post-employment or long term benefits of \$46,794 (last year: \$43,146).

(g) Directors' fees

Directors received director's fees as detailed below:

	30 June 2024 \$'000	30 June 2023 \$'000
L Phillips	25	25
G Cooper	-	-
N Paul	40	35
R Baskind	-	-
M Fong	-	13
Dr A Varghese-Cowan	25	15
A Ridgway	2	-
	92	88

Under the company's constitution, directors may be paid a fee for ordinary services performed as a director. The maximum amount of remuneration that may be paid to non-executive directors has been set at \$150,000 and this may only be increased with the prior approval from the company at a general meeting. This remuneration may be divided among the non-executive directors in such fashion as the board may determine.

Notes to the Financial Statements

for the year ended 30 June 2024

23 SUBSIDIARIES WITH NON CONTROLLING INTERESTS

iSell Pty Limited

Enprise Group Limited consolidates 100% of iSell's results and presents the portion of profit/(loss) and other comprehensive income attributable to a non-controlling interest (NCI).

Enprise Group Limited acquired a controlling stake in iSell on 27 May 2020. Subsequent to this date, Enprise has purchased shares from non controlling interests and engaged in rights issues that have changed Enprise's shareholding in iSell, ultimately resulting in a non-controlling interest percentage of 27.49% at 30 June 2024 (last year: 24.75%).

Transactions with non-controlling interests recognised in equity	<i>Attributable to the parent</i>	<i>Non- controlling</i>	<i>Total</i>
	\$'000	\$'000	\$'000
Purchase from non-controlling interests	-	-	-
Proceeds from rights issue in iSell Pty Limited to non-controlling interests	291	36	327
Total transactions with non-controlling interests	291	36	327

(a) Summary of financial position

	30 June 2024	30 June 2023
	\$'000	\$'000
Assets		
Cash and cash equivalents	43	44
Trade and other receivables	118	73
Contract assets	74	68
Staff receivables	26	-
Property plant and equipment	26	39
Intangible assets	1,259	1,385
Deferred tax asset	5	4
Other non-current assets	5	5
Total assets	1,556	1,618
Liabilities		
Trade and other payables	(153)	(445)
Contract liabilities	(297)	(175)
Provisions	(211)	(201)
Related party payable	(693)	(1,175)
Total liabilities	(1,354)	(1,996)
Net assets	202	(378)

(b) Summary of financial performance

	30 June 2024	30 June 2023
	\$'000	\$'000
Revenue from contracts with customers	1,375	1,201
Employee expense	(360)	(541)
Other operating costs	(1,327)	(2,402)
Other gains/(losses) - net	6	(12)
Finance cost - net	(1)	(1)
Net profit/(loss)	(307)	(1,755)
Other comprehensive income	(21)	9
Total comprehensive income/(loss)	(328)	(1,746)
	30 June 2024	30 June 2023
	24.75% - 27.49%	24.97% - 24.75%
	\$'000	\$'000
Total comprehensive income/(loss) attributable to NCI	(39)	(473)

(c) Summary of statement of cash flows

During the year iSell Pty Limited incurred total operating cash inflows of AU\$128,960 (last year: outflows of AU\$69,948) total investing outflows of AU\$407,742 (last year: outflows of AU\$493,459) and total financing inflows of AU\$276,000 (last year: inflows of AU\$539,442).

Notes to the Financial Statements

for the year ended 30 June 2024

24 CASH FLOW RECONCILIATION

Cash flows are included in the statement of cash flows on a gross basis and includes 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.

Reconciliation of net profit to net cash flows from operations:	30 June 2024	30 June 2023
	\$'000	\$'000
Profit/(loss)	(46)	(10,752)
Adjustments for:		
Depreciation on property plant and equipment	204	234
Depreciation clawback	(142)	-
Depreciation on right-of-use assets	561	606
Amortisation on intangible assets	976	1,965
Net loss/(gain) on foreign exchange	19	20
Impairment of intangible assets	(293)	6,786
Share of loss from equity accounted investments	211	330
Movement in current and deferred tax	(373)	904
Movements in working capital		
(Increase)/decrease in trade and other receivable	371	(826)
(Increase)/decrease in contract assets	34	95
(Increase)/decrease in income taxes receivable	23	(43)
Increase/(decrease) in trade and other payables	(47)	435
Increase/(decrease) in provisions	32	133
Increase/(decrease) in contract liabilities	266	(612)
Net cash inflow/(outflow) from operating activities	1,796	(725)

25 CONTINGENT LIABILITIES

There were no material contingent liabilities or assets at balance date (last year: nil).

26 SUBSEQUENT EVENTS AFTER BALANCE DATE

On 26 August 2024, the Group through its subsidiary Kilimanjaro Consulting, has acquired 52% of RECIPE Marketing Limited. RECIPE marketing is an award winning HubSpot Platinum Solutions Partner practice specialising in strategic consulting and advanced application solutions for front-office management and revenue operations providing further synergies within the Enterprise suite.

Enprise Group invested an additional \$99,999 in the recent rights issue for Datagate. This resulted in an additional 35,714 shares being issued on 30 August 2024.

Notes to the Financial Statements

for the year ended 30 June 2024

27 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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.

(a) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash deposited in interest-bearing call accounts, the bank overdraft and term loans. 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.

Funds with financial institutions are held on call or short term deposits. The majority of funds are held across three major Australasian trading banks all with a Standard and Poor's credit rating of AA-.

At 30 June 2024, 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:

	Profit		Equity	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
+1% (100 basis points)	8	(6)	8	(6)
- 1% (100 basis points)	(8)	6	(8)	6

(b) Credit risk

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 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.

Management have reviewed the customer base for industry segments based on SIC codes and have evaluated the credit risk for each segment. There are no significant concentrations of trade receivable counterparties.

(c) Liquidity risk

Liquidity risk is the risk of an unforeseen event or miscalculation in the required liquidity level that will result in the Group foregoing investment opportunities or not being able to meet its obligations in a timely manner, and therefore gives rise to lower investment income or to higher borrowing costs than otherwise. Prudent liquidity risk management includes maintaining sufficient cash, and ensuring the availability of adequate amounts of funding from credit facilities.

The table below analyses the Group's financial liabilities collated/grouped into relevant maturity bands, based on the remaining period from balance date to the contractual maturity date.

Contractual maturity analysis	less than 6 mths	6 - 12 months	1 - 3 years	> 3 years	Total
30 June 2024	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	3,382	-	-	-	3,382
Bank overdraft	-	-	-	-	-
Term loan	407	-	242	-	649
Lease liabilities	40	343	1,691	935	3,009
Total	3,829	343	1,933	935	7,040

Notes to the Financial Statements

for the year ended 30 June 2024

27 FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTINUED)

(c) Liquidity risk (continued)

Contractual maturity analysis	less than 6 mths	6 - 12 months	1 - 3 years	> 3 years	Total
30 June 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other payables	3,430	-	-	-	3,430
Bank overdraft	949	-	-	-	949
Term loan	1,147	-	-	-	1,147
Lease liabilities	277	274	496	325	1,372
Total	5,803	274	496	325	6,898

(d) Financial instrument classification

Financial assets	30 June 2024	30 June 2023
	\$'000	\$'000
Financial asset at fair value through other comprehensive income	452	452
<i>Amortised cost</i>		
Cash and cash equivalents	1,737	1,178
Trade receivables (excluding prepayments)	3,233	3,575
Staff and related party receivables	52	61
	5,474	5,266
Financial liabilities at amortised cost	30 June 2024	30 June 2023
	\$'000	\$'000
Trade and other payables	3,382	3,430
Borrowings	407	2,096
	3,789	5,526

(e) 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 (predominantly in Australian dollars) to the local currency of the subsidiary to fund operations. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at year-end for a 1 per cent change in foreign currency rates.

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, the value to each segment is not material.

At 30 June 2024, if currency 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:

Australian dollars	Profit		Equity	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	\$'000	\$'000	\$'000	\$'000
+10% (1000 basis points)	58	(127)	25	(42)
- 10% (1000 basis points)	(58)	127	25	42

Independent Auditor's Report

To the Shareholders of Enprise Group Limited

Opinion

I have audited the consolidated financial statements of Enprise Group Limited ("the Company") and its subsidiaries ("the Group"), which comprise:

- the consolidated statement of financial position as at 30 June 2024;
- the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements including a summary of significant accounting policies.

I am a partner with UHY Haines Norton Chartered Accountants Sydney (the Firm) and I have used the staff and resources of the Firm to perform the audit of the Group.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)") issued by the New Zealand Auditing and Assurance Standards Board. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of my report.

I am independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other than in my capacity as auditor, neither myself, the firm or the firm's staff have no relationship with, or interests in, the Group.

Material uncertainty related to going concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a loss of \$0.05 million and had net current liabilities of \$2.1 million for the year ended 30 June 2024. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated financial statements of the current year. Except for the matter described in the material uncertainty related to going concern, I summarise below those matters and my key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which I arrived at my audit opinion. The procedures were undertaken in the context of and solely for the purpose of my statutory audit opinion on the consolidated financial statements as a whole and I do not provide a separate opinion on these matters.

Why the audit matter is significant	How my audit addressed the key audit matter
<p>Revenue recognition</p> <p>The Group has recognised revenue of \$21.9m (FY 2023: \$20.8m) (Note 3).</p> <p>The Group has several revenue streams, and the revenue recognition policy for each stream is different. We focused on this area because the recognition of revenue in accordance with NZ IFRS 15 involves judgement and the outcome has a significant impact on profit or loss and the financial position of the Group.</p> <p>Also, there is a risk of overstatement of revenues through premature revenue recognition or recording fictitious revenues to meet budgets and/or market guidance.</p>	<p>To address the risk associated with revenue recognition, the following audit procedures were performed, amongst others:</p> <ul style="list-style-type: none"> • Evaluated the design of management's internal controls related to revenue recognition. • Reviewed revenue recognition policies for appropriateness and compliance with the requirements of the relevant accounting standard NZ IFRS 15; • Performing substantive analytical procedures over certain classes of revenue; • Selected a sample of transactions and agreed them to supporting documentation such as customer contract, sale invoice, cash receipt and assessed whether all criteria related to revenue recognition has been met before being recognised as revenue; • Reviewed credit notes posted after year end to ascertain correct revenue recognition during the year; • Performed revenue cut off procedures by selecting revenue samples before and after year end and testing that revenue is recorded in the correct period; • Tested a sample of deferred revenue balances and agreed it to the supporting documents; • Assessing the completeness of deferred revenue balances; • Reviewed manual revenue journals as part of the journal entry testing process with the criteria specifically targeting unusual entries to revenue accounts; and • Assessed the reasonability and completeness of the revenue related disclosures to test compliance with the requirements of the accounting standards.

Why the audit matter is significant	How my audit addressed the key audit matter
<p>Impairment of intangible assets</p> <p>The Group has significant intangible assets relating to the acquisitions made in previous periods.</p> <p>The Group has significant intangible assets with finite useful lives including software and customer relationships totalling \$1.57m (note 17) that are amortised over their useful life.</p> <p>In addition there is a significant goodwill balance recorded of \$1.23 million (note 17).</p> <p>We consider this area to be significant as balances are material to the financial report and the significant estimates and judgements applied in testing these balances for impairment.</p>	<p>To address the risk associated with intangible balance, the following audit procedures were performed, amongst others:</p> <ul style="list-style-type: none"> • Assessed whether indicators of impairment existed for the Group’s finite life intangible assets; • Tested the accuracy of key data inputs to management’s impairment assessment; • Analysed the appropriateness of the Group’s impairment assessment with particular emphasis on the adopted methods, assumptions and judgements applied; • Performed an independent recalculation of the CGU’s recoverable amount and compared it to management’s assessment and the relevant carrying amount; • Performed sensitivity testing on key assumptions; and • Assessed the reasonability and completeness of the related disclosures to test compliance with the requirements of the accounting standards.

Information Other than the Consolidated Financial Statements and Auditor’s Report thereon

The Directors are responsible for the annual report, which includes information other than the consolidated financial statements and auditor’s report.

My opinion on the consolidated financial statements does not cover the other information and I do not express any form of audit opinion or assurance conclusion thereon.

In connection with my audit of the consolidated financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based upon the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Consolidated Financial Statements

The Directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>.

This description forms part of my auditor's report.

Restriction on use of my report

This report is made solely to the Group's shareholders, as a body. My audit work has been undertaken so that I might state to the Group's shareholders, as a body those matters which I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Group and the Group's shareholders, as a body, for my audit work, for this report or for the opinion I have formed.



Vikas Gupta
Audit Partner - UHY Haines Norton Chartered Accountants Sydney
Signed at Sydney, Australia on 27 September 2024

Corporate Governance

The directors have complied with the corporate governance code which can be found on the following link.

<https://enprisegroup.com/s/201125-eg-corporate-governance-statement-4sx6.pdf>

The finance, audit and risk committee charter can be found on the following link.

<https://enprisegroup.com/s/202404-eg-Finance-Audit-and-Risk-Committee-Charter-v-April2024.pdf>

Board composition

George Cooper	appointed 10 April 2012
Lindsay Phillips	appointed 1 December 2013
Nicholas Paul	appointed 1 December 2015
Ronald Baskind	appointed 31 January 2018
Dr Aneesha Varghese-Cowan	appointed 24 November 2022; resigned 22 August 2024
Aaron Ridgway	appointed 11 June 2024

Board diversity

	30 June 2024	30 June 2023	30 June 2024	30 June 2023
			%	%
Male Directors	5	4	83%	80%
Female Directors	1	1	17%	20%

Tenure

	30 June 2024	30 June 2023
Over 10 years	2	1
5 - 10 years	2	3
Less than 5 years	2	1

Attendance at board and committee meetings

For the year ended 30 June 2024	Board Meetings		Audit Committee	
	Number of Meetings	Number Attended	Number of Meetings	Number Attended
George Cooper	11	11	8	8
Lindsay Phillips	11	10	n/a	n/a
Nicholas Paul	11	11	8	8
Ronald Baskind	11	11	n/a	n/a
Dr Aneesha Varghese-Cowan	11	10	8	8
Aaron Ridgway	1	1	n/a	n/a

DIVERSITY STATEMENT

Enprise has determined not to adopt a diversity policy at this time given the nature of its business as a passive holding company for investments in technology businesses.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE STATEMENT

Enprise currently provides non-financial operational disclosure but not specific Environmental Social and Governance disclosure. Enprise will keep under review the extent of non-financial reporting in future years (including considering the types of disclosures that would be most meaningful given the nature of Enprise's business).

CONTINUOUS DISCLOSURE

Enprise places a priority on communication with shareholders and is aware of the obligations it has under the Companies Act and the NZX Listing Rules to keep the market fully informed of information which is not generally available and which may have a material effect on the price or value of the shares. The company believes it has met its obligations under the NZX Listing Rules for continuous disclosure.

SHARE TRADING GUIDELINES

Enprise has adopted guidelines that prohibit trading in its shares by directors and staff who possess material price sensitive information about the company. Subject to the overriding restrictions that persons may not deal in shares while they are in possession of material price sensitive information, directors and key staff will only be permitted to deal in shares during certain "window periods" which are during the three month period from the date of release of the half yearly and yearly announcements to NZX and from release of a disclosure document offering equity securities in the company. Outside of these periods, directors and key staff are not permitted to deal in shares. Directors and staff are required to notify the Finance Director of purchases and sales within two business days of the transaction in order to enable the company to notify the NZX within the appropriate timeframe.

Other Disclosures

The Directors are pleased to submit to shareholders their report and financial statements for the year ended 30 June 2024. In order to comply with the Companies Act 1993, the directors report as follows:

DIRECTOR DISCLOSURES

Directors

George Cooper	appointed 10 April 2012	Finance Director
Lindsay Phillips	appointed 1 December 2013	Non-Executive Director
Nicholas Paul	appointed 1 December 2015	Independent Non-Executive Chairperson
Ronald Baskind	appointed 31 January 2018	Managing Director
Dr Aneesha Varghese-Cowan	appointed 24 November 2022	Independent Non-Executive Director
Aaron Ridgway	appointed 11 June 2024	Independent Non-Executive Director

Dr Aneesha Varghese-Cowan, Nicholas Paul and Elliot Cooper comprise the members of the Audit, Finance and Risk Committee.

Mr Paul is considered to be an independent director as he has a small holding in Enprise. Dr Varghese-Cowan and Mr Ridgway are considered to be independent directors as they have no shareholding in Enprise and have no other remuneration or influence which would affect decision making in a material way.

Directors security interests at 30 June 2024

	Number of Shares
Lindsay Phillips	4,080,039
Ronald Baskind	3,526,085
George Cooper	243,242
Nicholas Paul	62,023
Dr Aneesha Varghese-Cowan	-
Aaron Ridgway	-

There is no requirement for Directors to hold shares in the Company but it is encouraged in order to more strongly align their interests with the interests of shareholders.

Interests register at 30 June 2024

The following entries are recorded in the period ending 30 June 2024:

Name of Director	Particulars	Position Held
Lindsay Phillips	M.J.H Nightingale & Co Pty Limited (& S.E.A.T Project Pty Limited)	Director
	Ironwood Investments Pty Limited	Director
	Quintron Pty Limited	Director
	Nightingale Partners Pty Limited	Director
	Phoenix Development Fund Limited	Director
	Phoenix Management Pty Limited	Director
	Mayfield Group Holdings Limited	Director
	Leed Properties Pty Limited	Director
	Vadacom Holdings Limited (& Vadacom Limited)	Director
	Aurora Marketing Pty Limited	Director
	Monsour Legal Costs Pty Limited	Director
	Spectainer Pty Limited	Director
	Fabulate Pty Ltd	Director
	Chess Investors Pty Ltd	Director
OK Group (APAC) Holdings Ltd (PayOK Pty Ltd, Credisense Limited)	Director	
Ronald Baskind	iSell Pty Limited	Director
	Accountability Group Holdings Pty Ltd	Director
	Red Cow Investments Pty Limited	Director
George Cooper	Keelan Investments Limited	Director
Nicholas Paul	The Sales Factory Limited	Director
	Nudge Partners Limited	Director
	Silverback Surfers Limited	Director
	Director of Connector Communities Ltd (<i>ceased 1 August 2024</i>)	Director

Other Disclosures

Interests register at 30 June 2024 (continued)

Name of Director	Particulars	Position Held
Dr Aneesha Varghese-Cowan	Better World Australia Pty Limited (via FHL)	Director
	FACS Family Holdings Pty Limited "FHL"	Director
	FACS Family Nominees Pty Limited	Director
	Aviation Aerospace Australia Limited	Director
	Family Life Limited	Director
	Victoria Corporate Advisory Panel for the Chartered Accountants Australia and New Zealand	Advisory Member
Aaron Ridgway	Vadacom Holdings Limited (& Vadacom Limited)	Director
	Next Telecom Limited	Director
	Luxury Toys NZ Limited	Director
	Ridgway Empire Limited	Director
	Ridgway Holdings Limited	Director
	Ridgway Investment and Advice Limited	Director
	Live Door Limited	Director

REMUNERATION

Remuneration of directors

The remuneration of the Directors for the period ended 30 June 2024 is set out below:

	30 June 2024	30 June 2023
	\$'000	\$'000
George Cooper	253	248
Lindsay Phillips	25	25
Nicholas Paul	40	35
Ronald Baskind	342	314
Dr Aneesha Varghese-Cowan	25	15
Marissa Fong	-	13
Aaron Ridgway	2	-
	687	650

Total compensation of the directors is disclosed in note 22(f).

Executive director remuneration

The following discloses the remuneration arrangements in place for executives for the period ended 30 June 2025:

	Base per annum	Incentive	Superannuation	Total
	\$'000	\$'000	\$'000	\$'000
George Cooper	230	20	8	258
Ronald Baskind	277	69	40	386

Incentives are paid in cash and are based on KPIs and assessed by the Board based on the profitability of the company and achievement of those KPI's.

Other Disclosures

Employee remuneration

The number of employees or former employees, not being directors of the Group, that received remuneration and other benefits that exceeded \$100,000 per annum is as follows:

	30 June 2024	30 June 2023
	Number of employees	
100,001 – 110,000	8	14
110,001 – 120,000	13	6
120,001 – 130,000	6	7
130,001 – 140,000	8	7
140,001 – 150,000	5	11
150,001 – 160,000	9	3
160,001 – 170,000	5	6
170,001 – 180,000	6	10
180,001 – 190,000	4	2
190,001 – 200,000	6	1
200,001 – 210,000	1	-
210,001 – 220,000	-	1
220,001 – 230,000	1	2
230,001 – 240,000	2	-
240,001 – 250,000	-	1
250,001 – 260,000	1	1
260,001 - 270,000	-	1
270,001 - 280,000	-	-
280,001 - 290,000	2	1
290,001 - 300,000	-	-
300,001 - 310,000	1	1
310,001 - 320,000	-	1

The remuneration figures include all monetary amounts actually paid to employees and former employees during the 2024 financial year including: base salaries; short-term incentives (if any) paid during the year; and where required, employee KiwiSaver and superannuation contributions. The figures do not include amounts paid after 30 June 2024 that related to the 2024 financial year.

Management diversity

	30 June 2024	30 June 2023
Male Officers	2	3
Female Officers	-	-

Other Disclosures

INVESTOR INFORMATION

The investor information in this section of the disclosures has been taken from the Company's registers and is as at 14 August 2024.

Twenty largest shareholders

	Holding	Holding %
Nightingale Partners Pty Limited*	4,080,039	20.33%
New Zealand Central Securities Depository Limited	3,644,522	18.16%
Red Cow Investments Pty Limited~	2,671,276	13.31%
Reitham Finanz Gmbh & Co Kg	1,786,633	8.90%
Ronald Ivor Baskind	854,809	4.26%
Dr Jens Neiser	681,159	3.39%
Custodial Services Limited	598,246	2.98%
Amely Zaininger	479,537	2.39%
New Zealand Depository Nominee	463,917	2.31%
Bernard Israel Fridman	318,145	1.59%
Donwood Pty Limited	310,000	1.54%
Carjon Investments Pty Limited	291,071	1.45%
Savgas Pty Limited	291,071	1.45%
Deansand Pty Limited	290,692	1.45%
Net Power Solutions Limited	249,893	1.25%
George Elliot Cooper	243,242	1.21%
Bernard Fridman <Fridman Superfund>	181,767	0.91%
Sarah May Loveys	151,052	0.75%
Jason Patrick Fegan	129,864	0.65%
Roger John Williams	124,686	0.62%

*Related parties to Lindsay Phillips

~Related party to Ronald Baskind

Geographic distribution of shareholders

Country	Holders	Holder %	Issued capital	Issued capital %
New Zealand	254	64.96%	7,025,783	35.01%
Australia	107	27.37%	11,222,979	55.93%
Germany	17	4.35%	1,795,925	8.95%
USA	8	2.05%	16,263	0.08%
Great Britain	3	0.77%	6,667	0.03%
Switzerland	1	0.25%	240	0.00%
Philippines	1	0.25%	200	0.00%
Total	391	100.00%	20,068,057	100.00%

Distribution of shareholders

Range	Holders	Holding quantity	Holding %
1 - 1,000	134	64,110	0.32%
1,001 - 5,000	143	365,149	1.82%
5,001 - 10,000	36	268,813	1.34%
10,001 - 50,000	55	1,305,784	6.51%
50,001 - 100,000	2	116,790	0.58%
Greater than 100,000	21	17,947,411	89.43%
Total	391	20,068,057	100.00%

Substantial security holders

At 30 June 2024, the following security holders had given notices in accordance with the Financial Markets Conduct Act 2013 that they were a substantial product holder in the Company. The number of shares shown below are as recorded for all the relevant interests recorded on the Company's share register.

	Holding
L Phillips	4,080,039
R Baskind	3,526,085
Dr J Neiser	3,946,392

Directory

BOARD OF DIRECTORS

Nicholas Paul	Independent Non-Executive Chairperson
George Cooper	Finance Director
Ronald Baskind	Managing Director
Lindsay Phillips	Non-Executive Director
Aaron Ridgway	Independent Non-Executive Director

REGISTERED OFFICE

Level 2, 16 Hugo Johnston Drive
Penrose
Auckland 1061
Phone: +64 9 829 5500
www.enprisegroup.com

AUDITOR

UHY Haines Norton
Level 1
1 York Street
Sydney NSW 2001
Phone +61 2 9256 6600
Appointed 30 June 2023

CONTACT INFORMATION

PO Box 62262
Sylvia Park
Auckland 1644
info@enprisegroup.com

SOLICITORS

Hudson Gavin Martin, Auckland, New Zealand
Chapman Tripp, Auckland, New Zealand
Ash Street, Sydney, Australia

SHARE REGISTRY

Link Market Services Limited
Level 30, PwC Tower
15 Customs Street West
Auckland, New Zealand
Phone: +64 9 375 5990

BANKERS

Bank of New Zealand Limited

COMPANY INFORMATION

NZBN	1562383
ARBN	125 825 792
ABN	41 125 825 792

Enprise Group Limited shares are listed on the NZX. The Group's share register is maintained by MUFG Pension and Market Services Limited. MUFG Pension and Market Services is your first point of contact for any queries regarding your investment in Enprise Group