GENTRACK LIMITED

Financial Statements
30 September 2012

Contents

COMPANY DIRECTORY

The Directors are pleased to present the annual report including the financial statements of Gentrack Limited for the year ended 30 September 2012.

PRINCIPAL ACTIVITIES	Provider of enterprise billing and customer management software solutions
REGISTERED OFFICE	25 College Hill Auckland
DIRECTORS	John Clifford James Docking Roy Grant
AUDITOR	KPMG Auckland
SHAREHOLDER	Talgentra NZ Holdings Limited

DIRECTORS' RESPONSIBILITY STATEMENT

The Financial Reporting Act 1993 requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position and financial performance of the Company for that period. In preparing those financial statements on pages 5 to 18, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1993. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

No disclosure has been made in respect of Section 211 (1) (a) and (d) to (j) of the Companies Act 1993 following a unanimous decision by the shareholders in accordance with Section 211 (3) of the Act. There are no other disclosures required in accordance with Section 211 (1) of the Companies Act 1993.

For and on behalf of the Board of Directors

Director: JAMES DOCKING *Director:* ROY GRANT

Date: 17/4/2013 *Date* 17/4/2013

Independent auditor's report

To the shareholder of Gentrack Limited

Report on the financial statements

We have audited the accompanying financial statements of Gentrack Limited ("the company") on pages 5 to 18. The financial statements comprise the statement of financial position as at 30 September 2012, the statements of comprehensive income and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our firm has also provided other services to the company in relation to taxation and general accounting services. Partners and employees of our firm may also deal with the company on normal terms within the ordinary course of trading activities of the business of the company. These matters have not impaired our independence as auditor of the company. The firm has no other relationship with, or interest in, the company.

Opinion

In our opinion the financial statements on pages 5 to 18:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of the company as at 30 September 2012 and of its financial performance for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Gentrack Limited as far as appears from our examination of those records.

KPMG

24 April 2013
Auckland

Statement of financial position

As at 30 September 2012

in New Zealand Dollars

	Note	2012 ($000)	2011 ($000)
Assets			
Property, plant and equipment	8	451	521
Goodwill	9	2,430	2,430
Intangibles	10	343	398
Deferred tax asset	6	876	928
Loan to affiliated companies	20	13,992	22,089
Total non-current assets		**18,092**	**26,366**
Prepaid expenses		626	376
Trade and other receivables	11	7,577	8,342
Cash and cash equivalents	12	13	1,065
Total current assets		**8,216**	**9,783**
Total assets		**26,308**	**36,149**
Equity			
Share capital	13	3,774	3,774
Retained earnings		15,918	24,243
Total equity		**19,692**	**28,017**
Liabilities			
Employee entitlements	14	99	112
Total non-current liabilities		**99**	**112**
Bank overdraft	12	81	0
Deferred revenues		2,653	3,032
Trade and other payables, including derivatives	15	1,636	2,220
Finance lease payable		209	255
Provision for tax	7	1,137	1,856
Employee entitlements	14	801	657
Total current liabilities		**6,517**	**8,020**
Total liabilities		**6,616**	**8,132**
Total equity and liabilities		**26,308**	**36,149**

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Statement of comprehensive income

For the year ended 30 September 2012

in New Zealand Dollars

	Note	2012 ($000)	2011 ($000)
Revenue	20	27,224	24,921
Cost of sales	2	(11,041)	(9,480)
Gross profit		**16,183**	**15,441**
Other income	1	970	738
Sales and marketing expenses	2	(2,131)	(2,285)
Administrative expenses	2	(3,159)	(3,147)
Other expenses	3, 20	(1,041)	(284)
Operating profit before financing costs		**10,822**	**10,463**
Financial income	4	1,564	1,685
Financial expenses	4	(239)	(175)
Net financing income		**1,325**	**1,510**
Profit before income tax		**12,147**	**11,973**
Income tax expense	5	(3,383)	(3,174)
Profit for the period		**8,764**	**8,799**
Other comprehensive income for the period		-	-
Total comprehensive income for the period		**8,764**	**8,799**

KPMG

Statement of changes in equity

For the year ended 30 September 2012

in New Zealand Dollars

	Share capital ($000)	Retained earnings ($000)	Total equity ($000)
Balance at 1 October 2011	3,774	24,243	28,017
Profit for the period	-	8,764	8,764
Total comprehensive income for the period	-	8,764	8,764
Transactions with owners, recorded directly in equity:			
Dividends to shareholder	-	(17,089)	(17,089)
Balance at 30 September 2012	3,774	15,918	19,692

	Share capital ($000)	Retained earnings ($000)	Total equity ($000)
Balance at 1 October 2010	3,774	15,444	19,218
Profit for the period	-	8,799	8,799
Total comprehensive income for the period	-	8,799	8,799
Balance at 30 September 2011	3,774	24,243	28,017

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Notes to the financial statements
Significant accounting policies

Reporting entity
Gentrack Limited (the "Company") is a company incorporated and domiciled in New Zealand.
The Company is a software development company that provides enterprise billing and customer management software solutions to the energy, water and airport industries.
The financial statements of the Company are for the year ended 30 September 2012. The financial statements were authorised for issue by the directors on 17 April 2013.

Basis of preparation
Statement of compliance and basis of preparation
The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). They comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to profit-orientated entities that qualify for and apply differential reporting concessions. The Company is a profit-orientated entity. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.
The Company qualifies for Differential Reporting exemptions as it has no public accountability and there is no separation between the ownership and governing body of the Company. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted, except for NZ IAS 12 'Income Taxes', as the Company recognises deferred taxation.

Basis of measurement
The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: foreign exchange contracts. Non-current assets held for sale are valued at fair value less costs to sell.

Presentation currency
These financial statements are presented in New Zealand dollars ($000's).

Significant accounting policies
The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Cash and cash equivalents are classified as loans and receivables.

Trade and other receivables
Trade and other receivables are classified as loans and receivables. These are measured at their cost less impairment losses.

Property, plant and equipment
Owned assets
Items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located and an appropriate proportion of production overheads.
Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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Notes to the financial statements

Significant accounting policies (continued)

Property, plant and equipment (continued)

Leased assets

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged on a straight line basis over the estimated useful life. Depreciation is charged to profit and loss. The following useful lives have been used:

• Office equipment, fixtures and fittings	7 years straight line
• Finance lease assets	3 to 7 years straight line

The residual value of assets is reassessed annually.

Intangible assets

Goodwill

Goodwill represents the excess of cost of the acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired.
Goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and its carrying value is assessed when where there is an indicator of impairment. Performing this assessment requires management to estimate future cash flows to be generated by cash generating units or groups of cash generating units to which goodwill has been allocated. Estimating future cash flows entails making judgements including expected growth of revenues, margins expected to be achieved, the level of future payroll, administration and support costs and the appropriate discount rate to apply when discounting future cash flows.

Other intangible assets

Other intangible assets are stated at costs less accumulated amortisation and impairment losses.

Life of an intangible asset

Management make an assessment whether the intangible is a definite life or indefinite life intangible as required by NZ IAS 38.
If the intangible is assessed as being a definite life intangible, management estimate the useful life of the asset by making judgements on the forecasted revenue life of the asset without any significant capital expenditure. Management also consider empirical historical evidence of observed useful life for similar intangible assets.

Amortisation

Finite life intangible assets are amortised to the statement of financial performance on a straight line basis over a period during which the benefits are expected to be derived. The amortisation periods are between 3 and 7 years.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all of the risks and rewards of the asset.

Normal business purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

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Notes to the financial statements

Significant accounting policies (continued)

Non-derivative financial instruments (continued)

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Impairment

The carrying amounts of the Company's assets other than deferred tax assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in profit and loss.

The estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. Other impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount.

Trade and other payables

Trade and other payables are stated at cost. These are classified as other amortised cost.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss over the period of the borrowings on an effective interest basis. These are classified as other amortised cost.

Long service leave

The Company's net obligation in respect of long service leave is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand Government Stock at the end of the reporting period.

Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Revenue

Revenue from the sale of goods is recognised in profit and loss when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from the sales of services is recognised on the basis of percentage completion method. Software sales are recognised at the point which the software is certified as installed by the customer, the contract to which it relates is signed, and payment is assured. Hardware is recognised once it meets agreed delivery criteria.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods, or where there is continuing management involvement with the goods.

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Notes to the financial statements

Significant accounting policies (continued)

Expenses

Operating lease payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the lease term as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term on an effective interest basis.

Finance income and expenses

Finance income comprises interest income, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit and loss, foreign currency gains, and gains on hedging instruments that are recognised in profit and loss. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payments is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, foreign currency losses, changes in the fair value of the financial assets at fair value through profit and loss, impairment losses recognised on financial assets (except for trade receivables), losses on the disposal of available-for-sale financial assets, and losses on hedging instruments that are recognised in profit and loss. All borrowing costs are recognised in profit and loss using the effective interest method.

Foreign currency transactions

Transactions in foreign currencies that are settled in the accounting period are translated at the settlement rate. Transactions in foreign currency that are not settled in the accounting period, resulting in monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on their translation are recognised in profit and loss.

Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the statement of financial position method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

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Notes to the financial statements

As at 30 September 2012

in New Zealand Dollars

1 Other operating income

	Note	2012 ($000)	2011 ($000)
Management fees	20	599	356
Grant Revenue		371	382
		970	738

2 Administrative and personnel expenses

	2012	2011
Administrative expenses include the following:		
KPMG – audit fees	40	36
KPMG – tax services	62	93
Rental and operating lease costs	747	735
(Gain)/loss on disposal of fixed assets	7	(7)

Personnel expenses

Personnel expenses allocated across cost of sales, administrative expenses and sales and marketing expenses:

	2012	2011
Wages and salaries (including bonus expense)	10,523	9,523
Increase/(decrease) in liability for long-service leave	(5)	55
	10,518	9,578

Research and development expenses

	2012	2011
Research and development expenses allocated across cost of sales, administrative expenses and sales and marketing expenses.	1,791	1,898

3 Other Expenses

	2012	2011
Other expenses include the following:		
Depreciation	156	151
Amortisation	156	133

4 Net financing income

	Note	2012	2011
Interest income on bank deposits		6	11
Interest income on related party receivables and loans	20	1,558	1,674
Financial income		1,564	1,685
Interest expense on financial liabilities		(172)	(62)
Foreign exchange losses		(67)	(113)
Financial expense		(239)	(175)
Net financing income		1,325	1,510

KPMG

Notes to the financial statements
As at 30 September 2012
in New Zealand Dollars

5 Income tax expense

	2012 ($000)	2011 ($000)
Reconciliation of effective tax rate		
Profit before tax	12,147	11,973
Income tax using the Company tax rate of 28% (2011: 30%)	3,401	3,592
Recognition of group tax losses to offset current expense	(221)	(397)
Non assessable items	65	(76)
Change in tax rate	-	55
Other	138	-
	3,383	3,174
The tax charge is represented as follows:		
Tax payable in respect of the current year	3,245	3,326
Tax payable in respect of prior years	86	-
Deferred taxation	52	(152)
	3,383	3,174

6 Deferred Taxation

	2012 ($000)	2011 ($000)
Balance at 1 October	928	776
Current year tax	(52)	152
Balance at 30 September	876	928

Deferred tax assets and liabilities are attributable to the following:

	Net 2012 ($000)	2011 ($000)
Property, plant and equipment	(1)	(60)
Trade and other receivables	21	4
Employee benefits	228	147
Intangible software asset	434	506
Other payables and accruals	204	331
Deferred income	(10)	0
	876	928

KPMG

Notes to the financial statements

As at 30 September 2012
in New Zealand Dollars

7 Current Tax Payable	2012 ($000)	2011 ($000)
Balance at 1 October	(1,856)	(1,351)
Current year tax expense	(3,245)	(3,326)
Tax payments	4,081	2,615
Other	(117)	206
Balance at 30 September	(1,137)	(1,856)
Imputation credits		
Imputation credits available for use in subsequent reporting periods	1,101	789

8 Property, Plant and Equipment

Balance at 30 September 2012	Fixtures, fittings and equipment ($000)	Office equipment ($000)	Finance Leased Assets ($000)	Total ($000)
Cost	640	650	90	1,380
Accumulated depreciation	(353)	(544)	(32)	(929)
Carrying value	287	106	58	451
Current year depreciation	(71)	(72)	(13)	(156)
Balance at 30 September 2011				
Cost	617	595	90	1,302
Accumulated depreciation	(283)	(479)	(19)	(781)
Carrying value	334	116	71	521
Current year depreciation	(70)	(68)	(13)	(151)

KPMG

Notes to the financial statements
As at 30 September 2012
in New Zealand Dollars

9 Intangible assets – goodwill from acquisitions

Cost	2012 ($000)	2011 ($000)
Balance at 1 October	2,430	2,430
Balance at 30 September	2,430	2,430
Impairment losses		
Balance at 1 October	-	-
Balance at 30 September	-	-
Carrying amounts		
At 1 October	2,430	2,430
At 30 September	2,430	2,430

10 Software intangible assets – definite life intangible

	2012 ($000)	2011 ($000)
Cost	1,031	930
Accumulated amortisation	(688)	(532)
Carrying value	343	398
Current year amortisation	(156)	(133)

11 Trade and other receivables

	Note	2012 ($000)	2011 ($000)
Trade Debtors		3,284	2,862
Work in Progress		1,775	2,919
Trade debtors owed by group companies	20	718	711
Intercompany interest receivables	20	1,558	1,674
Withholding tax receivables		208	166
Other		34	11
		7,577	8,342

Trade receivables are shown net of provision for doubtful debts amounting to $76,729 (2011: $41,003).

12 Cash and cash equivalents

	2012 ($000)	2011 ($000)
Bank balances	8	1,058
Bank overdraft	(81)	0
Cash on hand	5	7
	(68)	1,065

KPMG

Notes to the financial statements

As at 30 September 2012

in New Zealand Dollars

13 Capital and reserves

At 30 September 2012, share capital comprised 12,343 ordinary shares (2011: 12,343). All issued shares are fully paid and have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company, and rank equally with regard to the Company's residual assets.
The Company's capital includes share capital and retained earnings. The Company's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The Company's objective is to provide returns for shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

14 Employee benefits

	2012 ($000)	2011 ($000)
Non-current		
Liability for long-service leave	99	112
Current		
Liability for long-service leave	84	76
Liability for annual leave	717	581
	900	769

15 Trade and other payables

	Note	2012 ($000)	2011 ($000)
Trade payables		659	413
Trade payables owing to group companies	20	14	0
Other accruals		963	1,807
		1,636	2,220

16 Financial risk management

In the normal course of business the company is exposed to credit risk and currency risk as certain customers are billed in foreign currencies. Liquidity is managed on a day to day basis and the company has access to sufficient sources of related party funding. The majority of interest is payable to related parties and as a result the company has minimal exposure to interest rate risk.

17 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2012 ($000)	2011 ($000)
Less than one year	727	658
Between one and five years	3,343	2,584
More than five years	269	1,562
	4,339	4,804

KPMG

Notes to the financial statements

As at 30 September 2012

in New Zealand Dollars

18 Capital commitments

The company has no significant capital commitments as at 30 September 2012 (2011: $Nil).

19 Contingencies

ANZ New Zealand has provided the following guarantees on behalf of Gentrack Limited:

NZD$289,549 (HKD$1,842,891) to ANZ Hong Kong. This guarantee is due to expire on 26 August 2014.
NZD$65,502 (GBP$33,072) to Bank of Ceylon Limited. This guarantee is due to expire on 15 March 2013.

20 Related parties

Identity of related parties

The company undertook related party transactions for the purchase and sale of software products, support, loan advances and repayments and consultancy and management charges on commercial terms. The company has related party relationships with the following entities:

Entity	Relationship
Gentrack Group Limited	Ultimate parent
Talgentra NZ Holdings Limited	Immediate parent
Gentrack Pty Limited	Related common ultimate ownership

Both the immediate parent and ultimate parent company is domiciled in New Zealand.

During the year there has been a restructure of the Gentrack Group business whereby a new ultimate parent, Gentrack Group Limited, was incorporated. Gentrack Group Limited purchased 100% ownership interest in the previous holding company, Talgentra Pacific Group Pty Limited.

Related party receivables

Loans and advances to Gentrack Group Limited group companies for the year ended 30 September 2012 amounted to $13,992,000 (2011: $22,089,000) and are presented in non-current assets in the Statement of Financial Position. It is not expected that these loans will be received in the following 12 months. These loans bear an annual interest rate of 6%.

Trade receivables from related parties are non-interest bearing and repayable on demand and are accordingly disclosed as current assets in the Statement of Financial Position.

Related Parties	2012 ($000)	2011 ($000)
Gentrack Group Limited – long term loan	1,658	0
Gentrack Pty Limited – long term loan	81	10,541
Talgentra NZ Holdings Limited – long term loan	12,253	11,548
Gentrack Group Limited – interest receivable	4	0
Talgentra NZ Holdings Limited – interest receivable	771	1,178
Gentrack Pty Limited – interest receivable	783	495
Gentrack Pty Limited – trade debtors	718	711
	16,268	24,473

20 Related parties (continued)

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Notes to the financial statements

As at 30 September 2012

in New Zealand Dollars

Related party payables

Trade payables to related parties are non-interest bearing and repayable on demand and are accordingly disclosed as current liabilities in the Statement of Financial Position.

Related Parties	2012 ($000)	2011 ($000)
Gentrack Pty Limited – trade creditors	14	0
	14	0

Related party transactions

The following transactions have been entered into with the ultimate parent, immediate parent or other related parties

- Sales revenue is received from Gentrack Pty Limited when Gentrack Limited performs work on their behalf. This amounted to $9,646,814 (2011: $7,673,165).
- Management fees are received from the Group companies to reimburse the costs associated with managing the Group. This amounted to $599,267 (2011: $356,249).
- Interest income relates to the loans receivable from Gentrack Group Limited, Talgentra NZ Holdings Limited and Gentrack Pty Limited. This amounted to $1,558,353 (2011: $1,673,690).

21 Share based payments

On 16 December 2008, the Company offered share options under a share option plan established by Talgentra Pacific Group Pty Ltd, to senior employees to purchase shares in Talgentra Pacific Group Pty Ltd (TPGPL). In accordance with this plan, options were exercisable at the market price of the shares upon the occurrence of an exit event.

On the 15th May 2012 TPGPL entered into an arrangement with the option holders to terminate the share option plan in return for a payment for the options held by employees based on a market price at the time.

At balance date the TPGPL share option plan had been terminated and no other share based plan had been instigated within the group of companies to which the Company belongs.

22 Subsequent event

There have been no events of significance subsequent to the end of the reporting period.

KPMG