

***Gentrack***

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Gentrack Group Limited

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Financial Statements

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For the year ended 30 September 2015

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# **GENTRACK GROUP FINANCIAL STATEMENTS 2015\_**



## Independent auditor's report

### To the shareholders of Gentrack Group Limited

We have audited the accompanying consolidated financial statements of Gentrack Group Limited and its subsidiaries ("the group") on pages 5 to 33. The financial statements comprise the consolidated statement of financial position as at 30 September 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in the auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company's shareholders as a body, for our audit work, this report or any of the opinions we have formed.

#### *Directors' responsibility for the company and group financial statements*

The directors are responsible on behalf of the company for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards, 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.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the group's preparation and fair presentation of the consolidated financial statements 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 group'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 consolidated 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 group in relation to taxation and advisory services. Subject to certain restrictions, partners and employees of our firm may also deal with the group on normal terms within the ordinary course of trading activities of the business of the group. These matters have not impaired our independence as auditor of the group. The firm has no other relationship with, or interest in, the group.



## Opinion

In our opinion, the consolidated financial statements on pages 5 to 33 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of Gentrack Group Limited as at 30 September 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

KPMG.

25 November 2015  
Auckland

## DIRECTORS' RESPONSIBILITY STATEMENT\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

In the opinion of the directors of Gentrack Group the financial statements and notes, on pages 5 to 33, comply with the New Zealand Generally Accepted Accounting Practice and give a true and fair view of the financial position of the Group as at 30 September 2015 and the results of operations and cash flows for the year ended on that date. They have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The directors are pleased to present the consolidated financial statements of Gentrack Group Limited for the year ended 30 September 2015.

For and on behalf of the Board of Directors:



James Docking

**Chief Executive Officer**

Date: 25 November 2015



John Clifford

**Chairman**

Date: 25 November 2015

## STATEMENT OF COMPREHENSIVE INCOME\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

(\$000)	NOTES	2015	2014
Revenue	3	42,069	38,531
Expenditure	4	(27,605)	(25,489)
<b>Profit before depreciation, amortisation, non-operating costs, financing and tax</b>		<b>14,464</b>	<b>13,042</b>
Depreciation and amortisation	5	(2,302)	(2,251)
Non-operating costs	6	-	(3,865)
<b>Profit before financing and tax</b>		<b>12,162</b>	<b>6,926</b>
Finance income		822	555
Finance expense		(14)	(1,465)
<b>Net finance income/(expense)</b>	7	<b>808</b>	<b>(910)</b>
<b>Profit before tax</b>		<b>12,970</b>	<b>6,016</b>
Income tax expense	8	(3,605)	(2,633)
<b>Profit attributable to the shareholders of the company</b>		<b>9,365</b>	<b>3,383</b>
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations	12	41	(347)
<b>Total comprehensive income for the year</b>		<b>9,406</b>	<b>3,036</b>
EARNINGS PER SHARE FROM PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (EXPRESSED IN DOLLARS PER SHARE)			
Basic and diluted earnings per share	10	\$0.13	\$0.05

The accompanying notes form part of these financial statements.



## STATEMENT OF FINANCIAL POSITION\_

AS AT 30 SEPTEMBER 2015

(\$000)	NOTES	2015	2014
CURRENT ASSETS			
Cash and cash equivalents	14	12,372	5,249
Trade and other receivables	15	10,522	10,567
<b>Total current assets</b>		<b>22,894</b>	<b>15,816</b>
NON-CURRENT ASSETS			
Property, plant and equipment	16	671	565
Goodwill	17	40,277	40,277
Intangibles	18	18,216	20,233
Deferred tax asset	9	983	562
<b>Total non-current assets</b>		<b>60,147</b>	<b>61,637</b>
<b>Total assets</b>		<b>83,041</b>	<b>77,453</b>
CURRENT LIABILITIES			
Trade payables and accruals	19	1,556	1,426
Deferred revenues		5,592	4,293
GST payable		248	339
Employee entitlements	20	1,709	1,324
Income tax payable		1,345	719
Borrowings	21	-	6
<b>Total current liabilities</b>		<b>10,450</b>	<b>8,107</b>
NON-CURRENT LIABILITIES			
Employee entitlements	20	282	279
Deferred tax liabilities	9	2,805	3,371
<b>Total non-current liabilities</b>		<b>3,087</b>	<b>3,650</b>
<b>Total liabilities</b>		<b>13,537</b>	<b>11,757</b>
<b>Net assets</b>		<b>69,504</b>	<b>65,696</b>
EQUITY			
Share capital	11	60,396	60,396
Retained earnings	13	8,946	5,179
Reserves	12	162	121
<b>Total shareholders' equity</b>		<b>69,504</b>	<b>65,696</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

(\$000)	NOTES	SHARE CAPITAL	RETAINED EARNINGS	TRANSLATION RESERVE	TOTAL EQUITY
<b>Balance as at 1 October 2013</b>		<b>25,398</b>	<b>7,951</b>	<b>468</b>	<b>33,817</b>
Profit attributable to the shareholders of the company		-	3,383	-	3,383
Other comprehensive income	12	-	-	(347)	(347)
<b>Total comprehensive income/(loss) for the year, net of tax</b>		<b>-</b>	<b>3,383</b>	<b>(347)</b>	<b>3,036</b>
Transactions with owners: Issue of Capital		34,998	-	-	34,998
Dividend paid (prior to Initial Public Offering)		-	(6,155)	-	(6,155)
<b>Balance as at 30 September 2014</b>		<b>60,396</b>	<b>5,179</b>	<b>121</b>	<b>65,696</b>
<b>Balance as at 1 October 2014</b>		<b>60,396</b>	<b>5,179</b>	<b>121</b>	<b>65,696</b>
Profit attributable to the shareholders of the company		-	9,365	-	9,365
Other comprehensive income	12	-	-	41	41
<b>Total comprehensive income for the year, net of tax</b>		<b>-</b>	<b>9,365</b>	<b>41</b>	<b>9,406</b>
Dividends paid		-	(5,598)	-	(5,598)
<b>Balance at 30 September 2015</b>		<b>60,396</b>	<b>8,946</b>	<b>162</b>	<b>69,504</b>

The accompanying notes form part of these financial statements.



## STATEMENT OF CASH FLOWS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

(\$000)	NOTES	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		44,753	40,071
Payments to suppliers and employees		(27,716)	(29,230)
Income tax paid		(3,813)	(4,467)
<b>Net cash inflow from operating activities</b>	28(a)	<b>13,224</b>	<b>6,374</b>
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment		(391)	(110)
<b>Net cash outflow from investing activities</b>		<b>(391)</b>	<b>(110)</b>
CASH FLOWS FROM FINANCING ACTIVITIES			
Gross proceeds from issue of share capital	11	-	36,000
Costs in relation to issue of share capital		-	(915)
Drawdown of borrowings		-	6,155
Repayment of borrowings		(6)	(34,765)
Dividends paid prior to Initial Public Offering		-	(6,155)
Net interest received/(paid)		138	(1,396)
Dividends paid		(5,598)	-
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(5,466)</b>	<b>(1,076)</b>
<b>Net increase in cash held</b>		<b>7,367</b>	<b>5,188</b>
<b>Foreign currency translation adjustment</b>		<b>(244)</b>	<b>(82)</b>
<b>Cash at beginning of the financial year</b>		<b>5,249</b>	<b>143</b>
<b>Closing cash and cash equivalents</b>		<b>12,372</b>	<b>5,249</b>

The accompanying notes form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Gentrack Group Limited is a limited liability company, domiciled and incorporated in New Zealand and registered under the New Zealand Companies Act 1993. The registered office of the Company is 25 College Hill, Auckland 1011, New Zealand.

The financial statements presented are for Gentrack Group Limited and its subsidiaries (together 'the Group') for the year ended 30 September 2015. Last year comparatives are for the year ended 30 September 2014.

The consolidated financial statements of the Group for the year ended 30 September 2015 were authorised for issue in accordance with a resolution of the directors on 25 November 2015.

The Group's principal activity is the development, integration, and support of enterprise billing and customer management software solutions for the utility (energy and water) and airport industries.

### (a) CHANGES IN ACCOUNTING POLICY

The accounting policies adopted are consistent with those of the previous year.

Certain comparatives have been updated to ensure consistency with current year presentation.

### (b) BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards as appropriate to profit-oriented entities. The financial statements comply with International Financial Reporting Standards ('IFRS').

The Company is an FMC entity for the purposes of the Financial Reporting Act 2013 and Financial Markets Conduct Act 2013 and is listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX). Both these acts became effective for financial years beginning on or after 1 April 2014, and the Financial Reporting Act 1993 was repealed with effect from this date.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013, Financial Markets Conduct Act 2013 and the Companies Act 1993.

### Presentation currency

The financial statements are presented in New Zealand dollars unless otherwise stated and all values are rounded to the nearest \$1,000

(where rounding is applicable). The functional currency is New Zealand dollars ('NZD').

### Use of estimate and judgements

In preparing the financial statements, management has to make certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome may differ from these judgements, estimates and assumptions. Judgements, estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and various other factors, including expectations about future events, which are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

#### (i) Impairment of goodwill and other assets

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(l). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 17 for details of these assumptions and the potential impact of changes to the assumptions. All other assets are reviewed for indicators or object evidence of impairment. If indicators or objective evidence exists, the recoverable amount is reviewed.

#### (ii) Revenue recognition

Revenue recognition involves certain revenue streams being recognised based on the stage of completion. This is discussed in more detail in note 1(d).

#### (iii) Doubtful debts

In providing for doubtful debts, management have used assumptions and estimates. The actual outcome may differ from the reported position.

### (c) BASIS OF CONSOLIDATION

#### Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the exposure or right to variable

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued...

returns from involvement with the entity and the ability to affect those returns through power over the entity.

The Group recognises the fair value of all identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured as the excess cost of the acquisition over the recognised assets and liabilities. When the excess is negative (negative goodwill), the amount is recognised immediately in the Statement of Comprehensive Income.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group 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. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

### Transactions eliminated on consolidation

Intra-group balances and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

### (d) REVENUE

Revenues are recognised at the fair value of the consideration received or receivable.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on the historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

#### (i) Software Licence Fee Revenue

Revenue from licence fees due to software sales is recognised on the transferring of significant risks and rewards of control of the licensed software under agreement between the Company and the customer.

#### (ii) Implementation and consulting services revenue for licensed software

Revenue from implementation and consulting services attributable to licensed software is recognised based on the stage of completion, typically in accordance with the achievement of contract milestones and/or hours expended, and forecast.

#### (iii) Post sales customer support revenue for licensed software

Post sales customer support ('PSCS') revenue for licensed software comprises fees for ongoing upgrades, minor software revisions and helpline support. PSCS revenue is allocated between annual fees for helpline support and fees for rights of access to ongoing upgrades and minor software patches. At each reporting date, the unearned portion

of the revenue is assessed and deferred to be recognised over the period of service.

#### (iv) Project services revenue

Revenue from project services agreements is based on the stage of completion, typically in accordance with the achievement of contract milestones and/or hours expended, and forecast.

#### (v) Deferred revenues

Consideration received prior to the goods or service being rendered is recognised in the Statement of Financial Position as deferred revenues.

#### (vi) Accrued income

Revenue for which goods or services have been rendered but invoices have not been issued is recognised within the Statement of Financial Position as accrued income and included within trade and other receivables.

#### (vii) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. When a grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

### (e) NET FINANCE COST

Finance income comprises interest income, 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.

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 the financial assets (except for trade receivables), 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.

### (f) INCOME TAX

In the Statement of Comprehensive Income the income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is

# NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued...

realised or the deferred income tax liability is settled.

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 benefits will be realised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liabilities where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the same taxable entity or different entities where there is an intention to settle the balance on a net basis.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised. The Group does not distribute non-cash assets as dividends to its shareholders.

### (g) SALES TAX

The Statement of Comprehensive Income and the Statement of Cash Flows have been prepared so that all components are stated exclusive of sales tax, except where sales tax is not recoverable. All items in the Statement of Financial Position are stated net of sales tax with the exception of receivables and payables, which include sales tax invoiced.

Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the taxation authority.

Sales tax includes Goods and Services Tax (GST) and Value Added Tax (VAT) where applicable.

### (h) FOREIGN CURRENCY TRANSLATIONS

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in New Zealand dollars (\$) (the 'presentation currency'), which is the Company's functional currency. 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within net finance costs.

The Group translates the results of its foreign operations from their functional currencies to the presentation currency of the Group using the closing exchange rate at balance date for assets and liabilities and the average monthly exchange rates for income and expenses. The difference arising from the translation of the Statement of Financial

Position at the closing rates and the Statement of Comprehensive Income at the average rates is recorded within the foreign currency translation reserve.

### (i) RESEARCH AND DEVELOPMENT COSTS

Research and development expenses include payroll overhead, employee benefits and other employee-related costs associated with product development. Technological feasibility for software products is generally reached shortly before products are released for commercial sale to customers. Costs incurred after technological feasibility is established are not material, and accordingly, all research and development costs are expensed when incurred.

### (j) PROPERTY, PLANT AND EQUIPMENT

In the Statement of Financial Position property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on assets is calculated using the straight-line method to allocate the difference between their original costs and their residual values over their estimated useful lives, as follows:

- Office equipment, fixtures and fittings 7 years
- Computer equipment 3 to 7 years
- Leasehold improvements Terms of lease

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised in the Statement of Comprehensive Income.

### (k) INTANGIBLE ASSETS

#### Goodwill

Goodwill represents the difference between the cost of acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

#### Brands

Brands are considered to have an indefinite useful life and are held at cost and are not amortised, but are subject to an annual impairment test consistent with the methodology outlined for goodwill above.

#### Other intangible asset

Other intangible assets consist of internal use software, acquired source code, and customer relationships. They have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.



# NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued...

### Amortisation

Except for goodwill and brands, intangible assets are amortised on a straight-line basis in the Statement of Comprehensive Income over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

- |                          |          |
|--------------------------|----------|
| • Acquired source code   | 10 years |
| • Customer relationships | 10 years |
| • Internal use software  | 3 years  |

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

### (l) IMPAIRMENT

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell or the asset's value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### (m) LOANS AND RECEIVABLES

The Group classifies its financial assets as loans and receivables. Management determines the classifications of its financial assets at initial recognition. The Group's loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the Statement of Financial Position. Loans and receivables are carried at amortised cost using the effective interest method. The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 1(o).

### (n) CASH AND CASH EQUIVALENTS

Comprise cash in hand, deposits held at call with banks, other short-term and highly liquid investments with original maturities of six months or less.

### (o) TRADE AND OTHER RECEIVABLES

The Group recognises trade and other receivables initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective

evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The carrying amount of an asset is reduced through the use of a provision account, and the amount of the loss is recognised in the Statement of Comprehensive Income. When a receivable is uncollectible, it is written off against the provision account for receivables. Subsequent recoveries of amounts previously written off are credited against the Statement of Comprehensive Income.

### (p) TRADE AND OTHER PAYABLES

The Group recognises trade and other payables initially at fair value and subsequently measured at amortised cost using the effective interest method. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured, non-interest bearing and are usually paid within 45 days of recognition.

### (q) PROVISIONS

The Group recognises a provision when it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense in the Statement of Comprehensive Income.

### (r) EMPLOYEE BENEFITS

Liabilities for wages and salaries, including non-monetary benefits, long service leave and annual leave are recognised in employee benefits 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. Cost for non-accumulating sick leave is recognised when the leave is taken and measured at the rates paid or payable.

### (s) EARNINGS PER SHARE

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares.

Basic EPS is calculated by dividing the Group profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares on issue for the effects of all dilutive potential ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued...

#### (t) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid is deducted from equity attributable to the Company's equity holders until the shares are cancelled or transferred outside the Group.

Preference share capital is classified as equity if it is non-redeemable and dividends are discretionary, or it is redeemable but only at the Company's option. Dividends on preference share capital classified as equity are recognised as distributions within equity.

#### (u) SEGMENT REPORTING

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur

expenses, whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Operating segments, are aggregated for disclosure purposes where they have similar products and services, production processes, customers, distribution methods and regulatory environments.

#### (v) STANDARDS OR INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE AND RELEVANT TO THE GROUP

The following are the new or revised standards, amendments and interpretations applicable to the Group which are in issue that are not yet required to be adopted by the Group in preparing its financial statements for the year ended 30 September 2015:

STANDARD/INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
<b>NZ IFRS 9 'Financial Instruments'</b>  Addresses measurement and recognition of financial assets and liabilities.	1 January 2017	30 September 2018
<b>NZ IFRS 15 'Revenue from Contracts with Customers'</b>  Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenues and cashflows from contracts with customers.	1 January 2018	30 September 2019

The financial statement impact of adoption of these standards, amendments and interpretations are not quantified by the management.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 2 OPERATING SEGMENTS

The Group currently operates in two business segments, utility billing software and airport management software, as at 30 September 2015. These segments have been determined based on the reports reviewed by the Board (Chief Operating Decision Maker) to make strategic decisions.

The assets and liabilities of the Group are reported to and reviewed by the Chief Operating Decision Maker in total and are not allocated by business segment. Therefore, operating segment assets and liabilities are not disclosed.

(\$000)	UTILITY	AIRPORT	TOTAL
GROUP – FOR THE YEAR ENDED 30 SEPTEMBER 2015			
External revenue	35,621	6,448	42,069
Total expenditure	(23,159)	(4,446)	(27,605)
<b>Segment contribution before depreciation, amortisation, non-operating costs, financing and tax</b>	<b>12,462</b>	<b>2,002</b>	<b>14,464</b>
Depreciation and amortisation		-	(2,302)
Finance income		-	822
Finance expense		-	(14)
Income tax expense		-	(3,605)
<b>Profit attributable to the shareholders of the company</b>		<b>-</b>	<b>9,365</b>
GROUP – FOR THE YEAR ENDED 30 SEPTEMBER 2014			
External revenue	32,959	5,572	38,531
Total expenditure	(21,035)	(4,454)	(25,489)
<b>Segment contribution before depreciation, amortisation, non-operating costs, financing and tax</b>	<b>11,924</b>	<b>1,118</b>	<b>13,042</b>
Depreciation and amortisation	-	-	(2,251)
Non-operating costs	-	-	(3,865)
Finance income	-	-	555
Finance expense	-	-	(1,465)
Income tax expense	-	-	(2,633)
<b>Profit attributable to the shareholders of the company</b>	<b>-</b>	<b>-</b>	<b>3,383</b>

(\$000)	2015	2014
REVENUE BY DOMICILE OF ENTITY		
Australia	19,849	18,859
New Zealand	22,220	19,672
	<b>42,069</b>	<b>38,531</b>
REVENUE BY DOMICILE OF CUSTOMER		
Australia	21,891	21,088
New Zealand	10,133	10,324
United Kingdom	7,152	4,963
Rest of World	2,893	2,156
	<b>42,069</b>	<b>38,531</b>

Revenues of approximately \$4,987,000 (2014: \$6,155,000) are derived from single customers and their subsidiaries from which revenue is 10% or more of the Group's revenue. These revenues are attributable to the utilities business segment.

## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 3 REVENUE

(\$000)	2015	2014
OPERATING REVENUE:		
Recurring	12,993	11,798
Non-recurring	3,467	3,405
Professional services	25,240	22,948
	<b>41,700</b>	<b>38,151</b>
OTHER INCOME:		
Government grants	369	380
<b>Total revenue</b>	<b>42,069</b>	<b>38,531</b>

Government grants revenue relates to a 3 year agreement for 'Technology Development Grant Funding' with Callaghan Innovations. Gentrack was awarded a new grant in the previous financial year, which is effective from 1 January 2014 to 31 December 2016.

### 4 EXPENDITURE

(\$000)	2015	2014
Profit before income tax includes the following specific expenses:		
Employee entitlements	19,156	17,080
Superannuation costs	611	570
Staff recruitment	162	200
Third party customer-related costs	1,984	1,456
Occupancy costs	1,706	1,648
Travel related	811	894
Advertising and marketing	746	752
Consulting and subcontracting	835	959
Communication and office administration	715	663
Doubtful debts	(36)	448
Directors' fees	290	213
Auditors' remuneration (1)	312	229
Other operating expenses	313	377
<b>Total expenditure</b>	<b>27,605</b>	<b>25,489</b>
RESEARCH AND DEVELOPMENT EXPENSES		
Expenditure on research and development	1,887	2,221

Research and development expense includes a portion of employee costs shown above, directly attributable to research and development activities. This excludes expenses relating to customer paid development.



## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 4 EXPENDITURE (CONTINUED)

(\$000)	2015	2014
(1) AUDITORS' REMUNERATION		
KPMG – audit fees	120	120
KPMG – review fees	25	-
KPMG – taxation	132	103
KPMG – other services	35	6
<b>Auditors' remuneration within expenditure</b>	<b>312</b>	<b>229</b>
KPMG – costs relating to Initial Public Offering	-	312
<b>Total fees paid to auditors</b>	<b>312</b>	<b>541</b>

In 2015, other services of \$35,000 included work undertaken in relation to employment matter and other advisory work (2014: \$6,000).

In 2014, KPMG charged \$312,000 in relation to the Initial Public Offering process. These costs are included within 'Costs relating to Initial Public Offering' in Note 6: Non-operating costs.

### 5 DEPRECIATION AND AMORTISATION

(\$000)	2015	2014
Depreciation	285	237
Amortisation	2,017	2,014
	<b>2,302</b>	<b>2,251</b>

### 6 NON-OPERATING COSTS

(\$000)	2015	2014
Costs relating to Initial Public Offering	-	3,853
Subsidiary ownership change costs	-	12
	<b>-</b>	<b>3,865</b>

In 2014 \$3,853,000 of costs composing legal and institutional expenses were incurred in the Initial Public Offering effective 24 June 2014 that did not relate to the issue of new shares.

In 2014 \$12,000 of costs composing tax and legal expenses were incurred in the transfer of ownership of the subsidiary company Talgentra New Zealand Holdings Limited from its Australian parent to Gentrack Group Limited.



## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 7 NET FINANCE COST

(\$000)	2015	2014
FINANCE INCOME		
Interest income	152	23
Foreign exchange gains	670	532
	<b>822</b>	<b>555</b>
FINANCE EXPENSES		
Interest expense	(14)	(1,394)
Foreign exchange losses	-	(71)
	<b>(14)</b>	<b>(1,465)</b>
<b>Net finance cost</b>	<b>808</b>	<b>(910)</b>

### 8 INCOME TAX EXPENSES

(\$000)	2015	2014
(a) RECONCILIATION OF EFFECTIVE TAX RATE		
Profit before tax for the year	12,970	6,016
Income tax using the Company's domestic tax rate of 28%	3,632	1,684
Non-deductible expense/(non-assessable income) (1)	18	1,096
Difference in tax rates of overseas subsidiaries	28	48
Over provided in prior periods	(73)	(195)
<b>Income tax expense</b>	<b>3,605</b>	<b>2,633</b>

(1) In 2014, included in non-deductible expenses are costs of \$3,808,000 which relate to the Initial Public Offering process.

(\$000)	2015	2014
(b) INCOME TAX CHARGE IS REPRESENTED AS FOLLOWS:		
Tax payable in respect of current year	4,665	3,471
Deferred tax benefit	(987)	(643)
Over provided in prior periods	(73)	(195)
	<b>3,605</b>	<b>2,633</b>

## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 9 DEFERRED TAX ASSET/(LIABILITY)

(\$000)	2015	2014
RECOGNISED DEFERRED TAX ASSETS		
<i>Deferred tax assets are attributable to the following:</i>		
Trade and other receivables	(219)	(245)
Intangible assets	-	-
Deferred income	470	266
Provisions including employee entitlements and doubtful trade debtors	712	613
Other	20	(72)
<b>Total deferred tax asset</b>	<b>983</b>	<b>562</b>
RECOGNISED DEFERRED TAX LIABILITIES		
<i>Deferred tax liabilities are attributable to the following:</i>		
Trade and other receivables	-	(87)
Intangible assets	(2,805)	(3,284)
Deferred income	-	-
Provisions including employee entitlements and doubtful trade debtors	-	-
Other	-	-
<b>Total deferred tax liabilities</b>	<b>(2,805)</b>	<b>(3,371)</b>

The movement in temporary differences has been recognised in the Statement of Comprehensive Income. Deferred tax has been recognised at a rate at which they are expected to be realised; 28% for New Zealand entities and 30% for Australian entities.

Movement in temporary timing differences during the year:

(\$000)	BALANCE 1 OCT 2013	TEMPORARY MOVEMENTS RECOGNISED	BALANCE 30 SEPT 2014	TEMPORARY MOVEMENTS RECOGNISED	BALANCE 30 SEPT 2015
Trade and other receivables	(9)	(323)	(332)	113	(219)
Intangible assets	(4,070)	786	(3,284)	479	(2,805)
Deferred income	267	(1)	266	204	470
Provisions including employee entitlements and doubtful trade debtors	347	266	613	99	712
Other	13	(85)	(72)	92	20
<b>Total</b>	<b>(3,452)</b>	<b>643</b>	<b>(2,809)</b>	<b>987</b>	<b>(1,822)</b>

# NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 9 DEFERRED TAX ASSET/(LIABILITY) (CONTINUED)

### IMPUTATION CREDITS

(\$000)	2015	2014
NZ Imputation credits available for use in subsequent reporting periods	1,781	850
Australian franking credits available for use in subsequent reporting periods (AU\$NIL; 2014: AU\$151,969)	-	169

The New Zealand Imputation credits of \$3,265,000 that were held prior to 24 June 2014 were lost as part of Initial Public Offering process.

## 10 EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of shares on issue during the year. The Group has no shares or other equity instruments that would have a potential dilutive impact on the number of ordinary shares on issue.

(\$000)		2015	2014
Profit attributable to the shareholders of the company	(\$000)	9,365	3,383
Issued ordinary shares at 1 October (restated for 3:1 share split May 2014)	(000)	-	57,699
Effect of shares issued June 2014	(000)	-	4,028
<b>Basic weighted average number of ordinary shares issued</b>	<b>(000)</b>	<b>72,699</b>	<b>61,727</b>
<b>Basic and diluted earnings per share (dollars)</b>		<b>0.13</b>	<b>0.05</b>

## 11 CAPITAL

(000)	SHARES ISSUED		SHARE CAPITAL	
	2015	2014	2015	2014
Ordinary shares	72,699	19,233	60,396	25,398
Effect of share split prior to Initial Public Offering	-	38,466	-	-
Issue of new ordinary shares	-	15,000	-	36,000
Transaction costs for issue of new shares	-	-	-	(1,002)
	<b>72,699</b>	<b>72,699</b>	<b>60,396</b>	<b>60,396</b>

Ordinary 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.

On 21 May 2014, the 4,340,000 preference shares were converted into 4,340,000 ordinary shares for no additional consideration. The Company then resolved to split shares in a ratio of 3:1, resulting in 19,233,170 ordinary shares on issue in the Company being split into 57,699,510 ordinary shares for no additional consideration.

On 24 June 2014, Gentrack Group Limited received gross proceeds of \$36 million from the allotment of 15 million new ordinary shares at an issue price of \$2.40 per share, offered under the Investment Statement and Prospectus dated 26 May 2014 (as amended on 4 June 2014) for the Initial Public Offering of ordinary shares in Gentrack Group Limited.

Transaction costs directly related to the issue of new shares of \$1,002,000 being primarily brokerage fees, were incurred in this transaction and reduce the share proceeds received.



## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 12 RESERVES

(\$000)	2015	2014
FOREIGN CURRENCY TRANSLATION RESERVE:		
Opening balance	121	468
Exchange differences on translation of foreign operations	41	(347)
<b>Balance at 30 September</b>	<b>162</b>	<b>121</b>

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations into New Zealand dollars.

### 13 RETAINED EARNINGS

(\$000)	2015	2014
Opening balance	5,179	7,951
Profit for the year	9,365	3,383
Dividend paid (prior to Initial Public Offering)	-	(6,155)
Dividend paid	(5,598)	-
<b>Balance at 30 September</b>	<b>8,946</b>	<b>5,179</b>

### 14 CASH AND CASH EQUIVALENTS

(\$000)	2015	2014
Bank balances	12,367	5,244
Cash on hand	5	5
	<b>12,372</b>	<b>5,249</b>

### 15 TRADE AND OTHER RECEIVABLES

(\$000)	2015	2014
Trade debtors	6,401	8,881
Provision for doubtful debts	(395)	(448)
Provision for warranty claims	(15)	(15)
Work in progress/accrued debtors	3,276	1,388
Sundry receivables and prepayments	1,255	761
	<b>10,522</b>	<b>10,567</b>

## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 15 TRADE AND OTHER RECEIVABLES (CONTINUED)

#### (a) CREDIT RISK

The aging of the Group's trade debtors at the reporting data was as follows:

(\$000)	GROSS		ALLOWANCE FOR DOUBTFUL DEBTS	
	2015	2014	2015	2014
Not past due	3,817	6,576	-	-
Past due 1-30 days	1,197	457	-	-
Past due 31-60 days	323	644	-	-
Past due 61-90 days	95	127	-	-
Past due over 90 days	969	1,077	395	448
	<b>6,401</b>	<b>8,881</b>	<b>395</b>	<b>448</b>

The movement in the provision for doubtful debts during the year was as follows:

(\$000)	2015	2014
Opening balance	448	-
Increase in provision	-	448
Write back of provision	(36)	-
Effect of movement in foreign exchange	68	-
Bad debt written off	(85)	-
<b>Balance at 30 September</b>	<b>395</b>	<b>448</b>

### 16 PROPERTY, PLANT AND EQUIPMENT

(\$000)	FURNITURE & EQUIPMENT	COMPUTER EQUIPMENT	LEASEHOLD IMPROVEMENTS	2015 TOTAL
YEAR ENDED 30 SEPTEMBER 2015				
Opening balance	179	158	228	565
Additions	32	343	17	392
Depreciation charge	(48)	(174)	(63)	(285)
Effect of movement in foreign exchange	(1)	-	-	(1)
<b>Closing net book amount</b>	<b>162</b>	<b>327</b>	<b>182</b>	<b>671</b>
Cost	699	1,440	461	2,600
Accumulated depreciation	(537)	(1,113)	(279)	(1,929)
<b>Closing net book amount</b>	<b>162</b>	<b>327</b>	<b>182</b>	<b>671</b>

## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 16 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(\$000)	FURNITURE & EQUIPMENT	COMPUTER EQUIPMENT	LEASEHOLD IMPROVEMENTS	2014 TOTAL
YEAR ENDED 30 SEPTEMBER 2014				
Opening balance	230	184	286	700
Additions	3	101	7	111
Disposals	(1)	-	-	(1)
Depreciation charge	(50)	(125)	(62)	(237)
Effect of movement in foreign exchange	(3)	(2)	(3)	(8)
<b>Closing net book amount</b>	<b>179</b>	<b>158</b>	<b>228</b>	<b>565</b>
Cost	667	1,097	444	2,208
Accumulated depreciation	(488)	(939)	(216)	(1,643)
<b>Closing net book amount</b>	<b>179</b>	<b>158</b>	<b>228</b>	<b>565</b>

### 17 GOODWILL

(\$000)	2015	2014
Opening balance	40,277	40,277
Net book amount arising on acquisition	-	-
<b>Closing net book amount</b>	<b>40,277</b>	<b>40,277</b>
Goodwill allocated to Utility	37,377	37,377
Goodwill allocated to Airport	2,900	2,900
<b>Net book amount</b>	<b>40,277</b>	<b>40,277</b>

The goodwill arising out of the acquisition in 2012 has been allocated to the two cash generating units (CGUs) identified within the Group, namely the Utility and Airport operating units.

The tests conducted for impairment on these CGUs have been based on value-in-use calculations using projections derived from the Group's five year forecast. The forecast has been based on management's consideration of past performance and its assessment of future expectations.

In performing the value-in-use calculations for the CGUs the Group has applied a post-tax discount rate of 13.0% (2014: 13.7%). The discount rate used reflects specific risks associated with business conducted within the CGU, including those risks associated with the countries in which the Group operates. The growth rate used to extrapolate cash flows beyond the 5 year forecast is 2.5% (2014: 2.5%). This growth rate is consistent with forecast conducted in similar industry reports.

The value-in-use tests are sensitive to discount rates and the assumed growth in cash flows. The Group has performed detailed sensitivity analysis as part of the impairment testing to ensure that the results of its testing are reasonable and prudent. The sensitivity analysis showed that the value-in-use of the two Group's CGUs equals their carrying value as follows:

- An increase in the post-tax discount rate: Utilities to 31% (an increase of 138%); Airports to 46% (an increase of 254%)
- A reduction in the growth rate of future cash flows: Utilities by 30%; Airports by 47%.

Consequently management believes that there is no impairment of either CGU.

## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 18 INTANGIBLE ASSETS

(\$000)	SOFTWARE	CUSTOMER RELATIONSHIPS	BRAND NAMES	2015 TOTAL
YEAR ENDED 30 SEPTEMBER 2015				
Opening balance	9,162	6,029	5,042	20,233
Additions	-	-	-	-
Amortisation charge	(1,215)	(800)	(2)	(2,017)
<b>Closing net book amount</b>	<b>7,947</b>	<b>5,229</b>	<b>5,040</b>	<b>18,216</b>
Cost	12,075	7,987	5,045	25,107
Accumulated amortisation	(4,128)	(2,758)	(5)	(6,891)
<b>Net book amount</b>	<b>7,947</b>	<b>5,229</b>	<b>5,040</b>	<b>18,216</b>

(\$000)	SOFTWARE	CUSTOMER RELATIONSHIPS	BRAND NAMES	2014 TOTAL
YEAR ENDED 30 SEPTEMBER 2014				
Opening balance	10,376	6,855	5,044	22,275
Additions	-	-	-	-
Amortisation charge	(1,214)	(826)	(2)	(2,042)
<b>Closing net book amount</b>	<b>9,162</b>	<b>6,029</b>	<b>5,042</b>	<b>20,233</b>
Cost	12,075	7,987	5,045	25,107
Accumulated amortisation	(2,913)	(1,958)	(3)	(4,874)
<b>Net book amount</b>	<b>9,162</b>	<b>6,029</b>	<b>5,042</b>	<b>20,233</b>

### 19 TRADE PAYABLES AND ACCRUALS

(\$000)	2015	2014
Trade creditors	766	646
Sundry accruals	790	780
	<b>1,556</b>	<b>1,426</b>



## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 20 EMPLOYEE ENTITLEMENTS

(\$000)	2015	2014
CURRENT		
Liability for long service leave	383	284
Short term employee benefits	1,326	1,040
	<b>1,709</b>	<b>1,324</b>
NON-CURRENT		
Liability for long service leave	282	279
	<b>282</b>	<b>279</b>

### 21 INTEREST BEARING LOANS AND BORROWINGS

(\$000)	2015	2014
CURRENT BORROWINGS		
Obligations under finance leases	-	6
	<b>-</b>	<b>6</b>

### TERMS AND DEBT REPAYMENT SCHEDULE

The bank facility had a 3 year term which was fully drawn down on 15 May 2012. It was secured over all the assets of the Group. The Group was required to meet normal quarterly covenants based on interest, debt servicing and leverage ratios. At 30 September 2013 and up to 24 June 2014 the Group was operating comfortably within the mandated ratios. The loan was repaid in full on 24 June 2014.

### FUNDING ACTIVITIES

The June 2014 listing on the New Zealand Stock Exchange and Australian Securities Exchange and the associated raising of equity has facilitated the extinguishment of all borrowings for the Group. The Group currently maintains a revolving facility with ANZ, on the terms outlined in note 21(b) below.

#### (a) Secured Bank Loan

During 2014 an amount was drawn down of \$6.155 million from ANZ Bank.

On 24 June 2014 a total of \$36 million was raised through the issue of 15 million shares at \$2.40 per share. These funds were used to repay the secured bank loan.

#### (b) Revolving facility

The Group has two revolving facilities with ANZ Bank, one in New Zealand (NZD\$3.1m) and one in Australia (AUD\$0.6m), both of which are subject to annual review. The purpose of the facility is to provide funding for general working capital management. Interest is payable at a rate calculated as a base rate plus a pre-determined margin.

The Group has provided a General Security Deed over all the present and after-acquired property of all entities in the consolidated Group.

At 30 September 2015 there were nil balances drawn down.



## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 21 INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

#### FINANCE LEASE LIABILITIES

(\$000)	COMPUTER EQUIPMENT	2015	2014
Less than one year	-	-	6
	-	-	6

### 22 FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments include trade receivables and payables, cash and short term deposits, borrowings and loans and receivables from group companies.

As a result of the Group's operations and sources of finance, it is exposed to credit risk, liquidity risk and market risks which include foreign currency risk, commodity price risk and interest risk. These risks are described below.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the financial risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis upon which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the Statement of Accounting Policies to the financial statements.

The Group holds the following financial instruments:

(\$000)	FAIR VALUE THROUGH PROFIT & LOSS	2015 LOANS AND RECEIVABLES	OTHER AMORTISED COST	FAIR VALUE THROUGH PROFIT & LOSS	2014 LOANS AND RECEIVABLES	OTHER AMORTISED COST
<b>FINANCIAL ASSETS</b>						
Cash and cash equivalents	12,372	-	-	5,249	-	-
Trade and other receivables	-	10,522	-	-	10,567	-
	<b>12,372</b>	<b>10,522</b>	-	<b>5,249</b>	<b>10,567</b>	-
<b>FINANCIAL LIABILITIES</b>						
Borrowings	-	-	-	-	-	6
Trade and other payables	-	-	766	-	-	646
	-	-	<b>766</b>	-	-	<b>652</b>

#### (a) CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and it arises principally from the Group's trade receivables from customers in the normal course of business.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The creditworthiness of a customer or counter party is determined by a number of qualitative and quantitative factors. Qualitative factors include external credit ratings (where available), payment history and strategic importance of customer or counter party. Quantitative factors include transaction size, net assets of customer or counter party, and ratio analysis on liquidity, cash flow and profitability.

In relation to trade receivables, it is the Group's policy that all customers who wish to trade on terms are subject to credit verification on an ongoing basis with the intention of minimising bad debts. The nature of the Group's trade receivables is represented by regular turnover of product and billing of customers based on the Group's contractual payment terms.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The carrying amount of the Group's financial assets represents the maximum credit exposure as summarised above.

Refer to Note 15 for an aging profile for the Group's trade receivables at reporting date.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 22 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they become due and payable. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they become due and payable, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has sufficient cash to meet its requirements in the foreseeable future. The Group has no debt.

Working capital is supported by a NZD\$3.1m (New Zealand) and a AUD\$0.6m (Australian) working capital facility, both of which were unused as at 30 September 2015 (2014: \$nil). Included in working capital is deferred revenues of \$5,592,000 (2014: \$4,293,000) which are not repayable in cash.

#### Maturities of financial liabilities

The following table details the Group's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, as at the reporting date:

2015 (\$000)	1 YEAR OR LESS	OVER 1 TO 5 YEARS	OVER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING AMOUNT LIABILITIES
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables	766	-	-	766	766
	<b>766</b>	<b>-</b>	<b>-</b>	<b>766</b>	<b>766</b>
2014 (\$000)	1 YEAR OR LESS	OVER 1 TO 5 YEARS	OVER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING AMOUNT LIABILITIES
NON-DERIVATIVE FINANCIAL LIABILITIES					
Trade and other payables	646	-	-	646	646
	<b>646</b>	<b>-</b>	<b>-</b>	<b>646</b>	<b>646</b>

#### (c) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### Foreign currency risk

The Group is exposed to currency risk on sales transactions that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Australian Dollar (AUD), Hong Kong Dollar (HKD), Pound Sterling (GBP), EURO (EUR) and US Dollar (USD).

Foreign exchange rates applied against the New Zealand Dollar, at 30 September are as follows:

	2015	2014
AUD	0.8972	0.9001
CAD	0.8398	0.8979
FJD	1.3590	1.5462
HKD	4.9095	6.3291
GBP	0.4127	0.5004
EUR	0.5637	0.6324
USD	0.6335	0.8164

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

The Group's exposure to foreign currency risk at the reporting date was as follows (all amounts are denominated in New Zealand Dollars):

### Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign currency risk.

<sup>1</sup> The foreign currency sensitivity above represents a 10% decrease and increase in spot foreign exchange rates.

The Group was not exposed to any material interest rate risk during the current or previous year.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 22 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (d) CAPITAL MANAGEMENT

The capital structure of the Group consists of equity raised by the issue of ordinary shares in the parent company.

The Group manages its capital to ensure that companies in the Group are able to continue as going concerns. The Group is not subject to any externally imposed capital requirements.

#### (e) FAIR VALUE MEASUREMENT

The carrying amounts of the Group's financial assets and liabilities approximate their fair value due to their short maturity periods or fixed rate nature.

### 23 RELATED PARTIES

#### IDENTITY OF RELATED PARTIES

The Group has related party relationships with its subsidiaries. The related party transactions primarily consist of the purchase and sale of software products, provision of technical support, loan advances and repayments, consultancy services and management charges on commercial terms. Related parties to the Group are as follows:

<i>Entity</i>	<i>Principal Activity</i>
Gentrack Group Australia Pty Limited	Australian holding company
Talgentra Pacific Group Pty Limited	Australian holding company
Gentrack Pty Limited	Australian operating company – software development, sales and support
Talgentra NZ Holdings Limited	New Zealand holding company
Gentrack Limited	New Zealand operating company – software development, sales and support
Gentrack UK Limited	United Kingdom dormant company

Management fees of \$767,000 (2014: \$815,000) were charged by Gentrack Limited, the New Zealand operating company, to related parties during the year to cover management type activities.

### 24 OPERATING LEASE COMMITMENTS

<b>(\$000)</b>	<b>2015</b>	<b>2014</b>
NON-CANCELLABLE OPERATING LEASE COMMITMENTS DUE:		
Not later than one year	1,089	1,396
Later than one year, not later than five years	1,917	2,871
Later than five years	-	-
	<b>3,006</b>	<b>4,267</b>

The Group leases premises, plant and equipment. Operating leases held over properties give the Group the right to renew the lease subject to redetermination of the lease rental by the lessor. There are no renewal options or options to purchase in respect of plant and equipment held under operating leases.

### 25 KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity.

Short-term benefits represent employee entitlements, including benefits in kind.

<b>(\$000)</b>	<b>2015</b>	<b>2014</b>
Short-term benefits to key management personnel	624	816
Post employment benefits	25	23
Directors' fees	290	213

#### OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

There were no other transactions with key management personnel during the year.

## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 26 CAPITAL COMMITMENTS

The capital expenditure commitments as at 30 September 2015 are \$nil (2014: \$nil).

### 27 CONTINGENCIES

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

NZD\$274,341 (AUD\$245,700) to Australia and New Zealand Banking Group. This guarantee is open ended.

NZD\$2,233,140 (AUD\$2,000,000) to Australia and New Zealand Banking Group. This guarantee is due to expire on 10 May 2017.

NZD\$203,538 (HKD\$994,528) to Australia and New Zealand Banking Group. This guarantee is due to expire on 24 September 2019.

NZD\$75,000 to NZX Limited.

ANZ Australia has provided the following guarantees on behalf of Gentrack Group Australia Pty Limited:

NZD\$64,901 (AUD\$58,230) to Australia and New Zealand Banking Group.

### 28 CASH FLOW INFORMATION

(\$000)	2015	2014
(a) RECONCILIATION OF OPERATING CASH FLOWS WITH REPORTING PROFIT AFTER TAX:		
Profit after tax	9,365	3,383
<b>Add/(less) non-cash items</b>		
Deferred tax	(979)	(648)
Other non-cash expenses/(income)	135	174
Depreciation and amortisation	2,302	2,251
	<b>10,823</b>	<b>5,160</b>
<b>Add/(less) movements in other working capital items:</b>		
Decrease in trade and other receivables	199	441
Increase/(decrease) in tax payable	610	(1,186)
(Decrease)/increase in GST payable	(96)	(10)
Increase/(decrease) in deferred revenue	1,318	1,042
Increase in employee entitlements	381	207
(Decrease) in trade payables and accruals	127	(534)
	<b>13,362</b>	<b>5,120</b>
<b>Items classified as financing activity</b>		
Net finance expense/(income)	(138)	1,254
Loss on disposal of property, plant and equipment	-	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>13,224</b>	<b>6,374</b>
(b) BANK FACILITIES:		
Bank facility	3,672	3,667
Amount utilised	-	-
<b>Unused bank facility</b>	<b>3,672</b>	<b>3,667</b>

## NOTES TO THE FINANCIAL STATEMENTS\_

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 29 EVENTS SUBSEQUENT TO BALANCE DATE

A final dividend of \$5,234,365 (\$0.072 per share) was declared on 25 November 2015 for the year ended 30 September 2015, and will be paid on 18 December 2015. During the year an interim dividend of \$2,980,680 (\$0.041 per share) was paid on 18 June 2015.

#### 30 COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION

The Group's Investment Statement and Prospectus dated 26 May 2014 (as amended on 4 June 2014) included prospective financial statements from 1 October 2014 to 30 September 2015. Below is the actual year's trading result covering the year ended 30 September 2015, which has been compared to the prospective financial statements.

#### PROSPECTIVE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 September 2015

(\$000)	NOTES	ACTUAL 2015	PROSPECTIVE 2015
Revenue	a	42,069	44,695
Expenditure	b	(27,605)	(29,182)
<b>Profit before depreciation, amortisation, non-operating costs, financing and tax</b>		<b>14,464</b>	<b>15,513</b>
Depreciation and amortisation		(2,302)	(2,403)
<b>Profit before financing and tax</b>		<b>12,162</b>	<b>13,110</b>
Net finance cost	c	808	(6)
<b>Profit before tax</b>		<b>12,970</b>	<b>13,104</b>
Income tax expense		(3,605)	(3,824)
<b>Profit attributable to the shareholders of the company</b>		<b>9,365</b>	<b>9,280</b>
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		41	-
<b>Total comprehensive income for the year</b>		<b>9,406</b>	<b>9,280</b>
REVENUE BY TYPE			
Recurring		12,993	12,300
Non-recurring		3,467	3,600
Professional services		25,240	28,254
Government grants		369	541
<b>Total revenue</b>		<b>42,069</b>	<b>44,695</b>

# NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

## 30 COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

PROSPECTIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

For the year ended 30 September 2015

(\$000)	NOTES	ACTUAL 2015	PROSPECTIVE 2015
CURRENT ASSETS			
Cash and cash equivalents	d	12,372	10,744
Trade and other receivables		10,522	10,792
<b>Total current assets</b>		<b>22,894</b>	<b>21,536</b>
NON-CURRENT ASSETS			
Property, plant and equipment		671	818
Goodwill		40,277	40,277
Intangibles		18,216	18,532
Deferred tax asset	e	983	1,793
<b>Total non-current assets</b>		<b>60,147</b>	<b>61,420</b>
<b>Total assets</b>		<b>83,041</b>	<b>82,956</b>
CURRENT LIABILITIES			
Trade payables and accruals		1,556	1,407
Deferred revenues	f	5,592	3,989
GST payable		248	346
Employee entitlements		1,709	1,910
Income tax payable		1,345	1,282
Borrowings		-	24
<b>Total current liabilities</b>		<b>10,450</b>	<b>8,958</b>
NON-CURRENT LIABILITIES			
Employee entitlements		282	312
Borrowings		-	55
Deferred tax liabilities	e	2,805	3,686
<b>Total non-current liabilities</b>		<b>3,087</b>	<b>4,053</b>
<b>Total liabilities</b>		<b>13,537</b>	<b>13,011</b>
<b>Net assets</b>		<b>69,504</b>	<b>69,945</b>
EQUITY			
Share capital		60,396	60,601
Retained earnings		8,946	9,256
Reserves		162	88
<b>Total shareholders' equity</b>		<b>69,504</b>	<b>69,945</b>



## NOTES TO THE FINANCIAL STATEMENTS\_

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 30 COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

#### PROSPECTIVE CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 September 2015

(\$000)	ACTUAL 2015	PROSPECTIVE 2015
<b>TOTAL EQUITY</b>		
Balance at 1 October 2014	65,696	66,228
Transactions with owners: issue of capital (net of fees), dividends	(5,598)	(5,563)
Total comprehensive income for the year, net of tax	9,406	9,280
<b>Balance at 30 September 2015</b>	<b>69,504</b>	<b>69,945</b>

#### PROSPECTIVE CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 30 September 2015

(\$000)	NOTES	ACTUAL 2015	PROSPECTIVE 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	g	44,753	44,837
Payments to suppliers and employees		(27,716)	(28,808)
Income tax paid		(3,813)	(4,240)
<b>Net cash inflow from operating activities</b>		<b>13,224</b>	<b>11,789</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Property, plant and equipment		(391)	(434)
Increase in other intangibles		-	(342)
<b>Net cash outflow from investing activities</b>		<b>(392)</b>	<b>(776)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		-	-
Drawdown of borrowings		-	-
Repayment of borrowings		(6)	(31)
Dividends paid		(5,598)	(5,563)
Net interest paid		138	(6)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(5,466)</b>	<b>(5,600)</b>
<b>Foreign currency translation adjustment</b>		<b>(244)</b>	<b>-</b>
Net increase in cash held		7,123	5,413
Cash at beginning of the financial year		5,249	5,331
<b>Closing cash and cash equivalents (net of overdrafts)</b>		<b>12,372</b>	<b>10,744</b>



**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

- (a) Revenue from professional services and licences was lower than forecast principally due to the issues raised in Gentrack's market announcements of 16 July 2015 and 7 August 2015. These were the delayed signing of two major contracts. Revenue was also impacted by FX movement as noted in (c) below.
- (b) Expenditure was down on forecast. This decrease was due to personnel, travel, and infrastructure costs being lower than anticipated, mostly as a result of lower revenues noted in (a) above. Payments to suppliers were lower than anticipated as a result of the reduced expenditure.
- (c) Finance costs were lower than forecast due to a \$670K gain on foreign exchange. The gain largely resulted from realised foreign exchange gains of \$841K on timing differences related to working capital items. The forecast assumed flat foreign exchange rates between 2014 and 2015 so there was no corresponding foreign exchange movement. Whilst the gain has not been included as part of EBITDA due to consistent accounting disclosure requirements, given the nature of the foreign exchange income it can be considered part of the trading results.
- (d) Cash and cash equivalents are higher than forecast due to better than expected receipts from customers and lower payments to suppliers as a result of lower expenditure.
- (e) Both deferred tax assets and deferred tax liabilities are lower due to deferred tax asset of a subsidiary being offset with a deferred tax liability of the Group.
- (f) Deferred revenues were higher than expected due to increased annual maintenance from customers which are generally paid in advance and timing of payments from project revenue.
- (g) Receipts from customers were higher than forecast due to improved collections and the timing of payments relating to projects and annual maintenance revenue as noted in (f) above.

## DISCLOSURES\_

### USE OF CASH AND CASH EQUIVALENTS

In accordance with ASX Listing Rule 4.10.19, the Board has determined that the Group has used the cash and cash equivalents that it had at 1 October 2014 in a way consistent with its business objectives for the year ended 30 September 2015.

### ENTRIES RECORDED IN THE INTERESTS REGISTER

The Company maintains an Interest Register in accordance with the Companies Act 1993 and the Securities Markets Act 1988. The following are particulars of entries made in the Interests Register for the period 1 October 2014 to 30 September 2015.

#### DIRECTORS' INTERESTS

Directors disclosed interest, or cessation of interest, in the following entities pursuant to section 140 of the Companies Act 1993 during the year ended 30 September 2015.

DIRECTOR/ENTITY	RELATIONSHIP
John Clifford	
JCVC Pty Limited	Director
Uplands Group Pty Limited in its capacity as trustee of the Uplands Group Trust	Director
James Docking	
Jametti Limited	Director
Leigh Warren	
Warren Family Business Pty Limited in its capacity as trustee of the Warren Family Business Superannuation Fund	Director

#### SHARE DEALINGS OF DIRECTORS

Directors disclosed, pursuant to section 148 of the Companies Act 1993. There were no acquisitions or disposals of relevant interest in Gentrack Group Limited shares during the year ended 30 September 2015.

#### SHAREHOLDINGS OF DIRECTORS AT 30 SEPTEMBER 2015

	TYPE OF HOLDING	2015 NUMBER OF SHARES	2014 NUMBER OF SHARES
John Clifford	Beneficial Interest	9,151,374	9,151,374
Andy Coupe	Held Personally	20,833	20,833
James Docking	Beneficial Interest	7,358,196	7,358,196
David Ingram <sup>1</sup>	Held Personally	50,000	50,000
Graham Shaw	Held Personally	41,666	41,666
Leigh Warren	Beneficial Interest	629,184	629,184

<sup>1</sup> David Ingram is a Director of the following subsidiary companies: Gentrack Pty Limited, Gentrack Group Australia Pty Limited, Gentrack UK Limited.

## DISCLOSURES

### REMUNERATION OF DIRECTORS

Details of the total remuneration of, and the value of other benefits received by, each Director of Gentrack Group Limited during the financial year ended 30 September 2015 are as follows:

	2015 FEES	2015 REMUNERATION	2014 FEES	2014 REMUNERATION
John Clifford	100,000	-	98,691	-
Andy Coupe <sup>1</sup>	60,000	-	30,000	-
James Docking <sup>2</sup>	-	400,897	-	428,139
Roy Grant <sup>3</sup>	-	-	-	99,891
Graham Shaw <sup>4</sup>	70,000	-	32,500	-
Leigh Warren	60,000	-	51,926	-
	<b>290,000</b>	<b>400,897</b>	<b>213,117</b>	<b>528,030</b>

<sup>1</sup> Andy Coupe was appointed as Director on 23 April 2014.

<sup>2</sup> James Docking is an Executive Director and receives remuneration from Gentrack in the form of a salary and short-term incentives.

<sup>3</sup> Roy Grant was an Executive Director and received remuneration from Gentrack in the form of a salary and short-term benefits. Roy Grant retired on 23 April 2014.

<sup>4</sup> Graham Shaw was appointed as Director on 26 March 2014. He was paid \$60,000 for his role as Director and \$10,000 for his role as the chair of the Audit and Risk Management Committee.

### EMPLOYEE REMUNERATION

The number of current employees of the parent and subsidiaries receiving remuneration and benefits above \$100,000 in the year ended 30 September 2015 are set out in the table below

REMUNERATION	NUMBER OF EMPLOYEES
\$100,001 – \$110,000	12
\$110,001 – \$120,000	8
\$120,001 – \$130,000	11
\$130,001 – \$140,000	6
\$140,001 – \$150,000	4
\$150,001 – \$160,000	2
\$160,001 – \$170,000	2
\$170,001 – \$180,000	3
\$180,001 – \$190,000	1
\$190,001 – \$200,000	1
\$200,001 – \$210,000	2
\$210,001 – \$220,000	1
\$220,001 – \$230,000	1
\$230,001 – \$240,000	2
\$270,001 – \$280,000	1
\$290,001 – \$300,000	1
\$400,001 – \$410,000	1
<b>Total</b>	<b>59</b>

The analysis above includes the remuneration and benefits paid to employees, in the relevant bandings, where their annual remuneration and benefits exceed \$100,000.



## DISCLOSURES

### ANALYSIS OF SHAREHOLDING AT 30 OCTOBER 2015

SIZE OF HOLDING	NUMBER OF HOLDERS	FULLY PAID ORDINARY SHARES NUMBER OF SHARES <sup>1</sup>	% OF ISSUED CAPITAL
1 – 1,000	435	266,795	0.4%
1,001 – 5,000	746	2,115,084	2.9%
5,001 – 10,000	182	1,443,520	2.0%
10,0001 – 100,000	147	3,443,256	4.7%
100,001 and over	41	65,430,855	90.0%
<b>TOTAL</b>	<b>1,551</b>	<b>72,699,510</b>	<b>100%</b>

<sup>1</sup> The total number of shares on issue as at 30 September 2015 and at 30 October 2015 was 72,699,510.

### TWENTY LARGEST SHAREHOLDERS AT 30 OCTOBER 2015

The twenty largest shareholders of fully paid ordinary shares as at 30 October 2015 were:

NAME	NUMBER OF ORDINARY SHARES HELD	% OF ISSUED SHARE CAPITAL
Jametti Limited as trustees of the Fraxinus Aurea Trust	7,358,196	10.12%
Uplands Group Pty Limited as trustees of Uplands Group Trust	7,231,374	9.95%
RBC Investor Services	6,935,710	9.54%
Nigel Peter Farley and Richard John Burrell as trustees of the Nigel Farley Family Trust	4,712,661	6.48%
JP Morgan Nominees	3,931,056	5.41%
RBC Investor Services	3,833,012	5.27%
HSBC Nominees (New Zealand) <sup>1</sup>	3,228,996	4.44%
Tea Custodians Limited <sup>1</sup>	3,219,060	4.43%
Terence de Montalt Maude and Wendy Fay Wood as trustees of the T&W Investment Trust	3,193,395	4.39%
Roy Desmond Grant, Nina Catherine Maria Grant and Adrienne Alexandra Wigmore as trustees of the Fiducia Trust	3,120,000	4.29%
HSBC Nominees (New Zealand) <sup>1</sup>	2,617,892	3.60%
JCVC Pty Limited as trustees of JCVC Superannuation Fund	1,920,000	2.64%
BNP Paribas Nominees Pty Limited	1,558,757	2.14%
JP Morgan Chase Bank <sup>1</sup>	949,090	1.31%
Custodial Services Limited	836,993	1.15%
Cogent Nominees (NZ) Limited	707,460	0.97%
UBS Wealth Management Australia Nominees Pty Ltd	702,353	0.97%
Cogent Nominees Limited	594,520	0.82%
Public Trust Rif Nominees Limited	575,440	0.79%
HSBC Custody Nominees (Australia) Limited	526,417	0.72%

<sup>1</sup> These shareholdings are held through New Zealand Central Securities Depository Limited (NZCSD) which allows electronic trading of securities to members.

The percentage shareholding of the 20 largest shareholders of Gentrack Group Limited fully paid ordinary shares was 79%.

## DISCLOSURES

### SUBSTANTIAL SHAREHOLDERS AS AT 30 OCTOBER 2015

According to notices given under the Securities Markets Act 1988, the following persons were Substantial Shareholders in Gentrack Group Limited at 30 October 2015 in respect of the number of voting securities set opposite their names.

NAME	NUMBER OF ORDINARY SHARES HELD	% OF ISSUED SHARE CAPITAL
Harbour Asset Management Limited	5,980,980	8.2%
Uplands Group Pty Limited as trustees of Uplands Group Trust, JCVC Pty Limited as trustees of JCVC Superannuation Fund, John Clifford and Valerie Clifford	9,151,374	12.6%
Jametti Limited as trustees of the Fraxinus Aurea Trust	7,358,196	10.1%
Nigel Peter Farley and Richard John Burrell as trustees of the Nigel Farley Family Trust	4,712,661	6.5%
Perpetual Limited	10,542,693	14.5%
Mawer Investment Management Limited	4,105,196	5.6%

Devon Funds Management Limited ceased to be a substantial shareholder on 13 August 2015 and submitted a revised notice to NZX on 14 August 2015.

Watermark Funds Management ceased to be a substantial shareholder on 27 April 2015 and submitted a revised notice to ASX on 29 April 2015.

UBS Group AG and its related bodies corporate ceased to be a substantial shareholder on 28 April 2015 and submitted a revised notice to ASX on 30 April 2015.

The total number of issued voting shares of Gentrack Group Limited at 30 October 2015 was 72,699,510. Where voting at a meeting of the shareholders is by voice or show of hands, every shareholder present in person or by representative has one vote, and on a poll, every shareholder present in person, or by representative has one vote for each fully paid ordinary share in the Company.

At 30 October 2015, there were 25 shareholders holding marketable parcels of less than \$500.

### RESTRICTED SECURITIES

28,214,810 are restricted securities or securities subject to voluntary escrow under ASX Listing Rule 4.10.14. These shares are escrowed until the date on which the 30 September 2015 annual results are announced to the market.

### SUBSIDIARY COMPANY DIRECTORS

The following people held office as Directors of subsidiary companies at 30 September 2015:

<b>Gentrack Limited</b>	John Clifford, James Docking
<b>Talgentra New Zealand Holdings Limited</b>	John Clifford, James Docking
<b>Gentrack Pty Limited</b>	John Clifford, James Docking, David Ingram <sup>1</sup>
<b>Gentrack Group Australia Pty Limited</b>	John Clifford, James Docking, David Ingram <sup>1</sup>
<b>Talgentra Pacific Group Pty Limited</b>	John Clifford, James Docking, Leigh Warren
<b>Gentrack UK Limited</b>	James Docking, David Ingram <sup>2</sup>

Directors of the company's subsidiaries do not receive any remuneration or other benefits in respect of their appointments.

<sup>1</sup> David Ingram was appointed Director on 23 April 2014. Roy Grant retired on 23 April 2014.

<sup>2</sup> David Ingram was appointed Director on 5 May 2014. Roy Grant retired on 5 May 2014.

### DONATIONS

The Company made donations of \$11,428 during the year ended 30 September 2015.



## DISCLOSURES\_

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### CREDIT RATING

The Company has no credit rating.

### WAIVERS

Gentrack Group Limited had no NZX waivers granted or published by NZX within or relied upon in the 12 months ending 30 September 2015. Gentrack Group Limited has been granted waivers from the ASX which are standard for a New Zealand company listed on the ASX including confirmation that ASX will accept financial statements denominated in New Zealand dollars and prepared and audited in accordance with New Zealand Generally Accepted Accounting Principles and Auditing Standards.

### ANNUAL MEETING

Gentrack Group Limited's Annual Meeting of Shareholders will be held in Auckland on 25 February 2016 at 4:00pm. A notice of Annual Meeting and Proxy Form will be circulated to shareholders in January 2016.



## CORPORATE DIRECTORY\_

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### REGISTERED OFFICE

Gentrack Group Limited  
25 College Hill, Freemans Bay, Auckland 1011,  
New Zealand  
Phone: +64 9 966 6090  
Facsimile: +64 9 376 7223

Level 9, 390 St Kilda Road, Melbourne, VIC 3004  
Australia  
Phone: +61 3 9867 9100  
Facsimile: +61 9867 9140

### POSTAL ADDRESS

PO Box 3288, Shortland Street, Auckland 1140  
New Zealand

### NEW ZEALAND INCORPORATION NUMBER

3768390

### AUSTRALIAN REGISTERED BODY NUMBER (ARBN)

169 195 751

### DIRECTORS

John Clifford, Chairman  
Andy Coupe  
James Docking  
Graham Shaw  
Leigh Warren

### COMPANY SECRETARY

Jon Kershaw

### AUDITOR

KPMG

18 Viaduct Harbour Avenue, Auckland, 1140  
Phone: +64 9 367 5800  
Facsimile: +64 9 367 5875

### LEGAL ADVISERS

BELL GULLY

KENSINGTON SWAN

### BANKERS

ANZ LIMITED

BARCLAYS PLC

HSBC PLC

### SHARE REGISTRAR

*NEW ZEALAND*

LINK MARKET SERVICES LIMITED

Level 7, Zurich House, 21 Queen Street, Auckland 1010  
PO Box 91 976, Auckland 1142  
Phone: +64 9 375 5998  
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*Gentrack*