



**Energy One Limited**  
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06 August 2014

**ASX Release**

**EOL Releases Appendix 4E - Preliminary Final Report for the Year Ended 30 June 2014**

The Board is pleased to report an annual profit of \$338k for Financial Year 2014. Importantly the second half of the year was an improvement upon the first half with a H1 loss of (\$203k) being translated into a H2 net profit of \$541k.

Appendix 4E (listing rule 4.3A) - Preliminary Final Report for the Year Ended 30 June 2014 should be read in conjunction with the 2014 Annual Report.

**Energy One Limited**

Reena Minhas  
**Company Secretary**

**APPENDIX 4E – PRELIMINARY FINAL REPORT  
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

**ABN 37 076 583 018**  
**ASX CODE: EOL**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

	<b>June 2014</b>	<b>June 2013</b>	<b>Change</b>	<b>Change</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
Sales Revenue and other Income	3,454,107	2,444,761	1,009,346	Up 41%
Total comprehensive income / (loss) after tax attributed to owners of the parent entity	337,605	(210,739)	548,344	Up 260%
Net tangible assets per security	\$0.10	\$0.09	\$0.01	Up 11%

**Dividends Paid or Recommended**

There were no dividends paid or declared for payment during the year. No dividends have been declared or paid since year end.

**Review of Operations and Financial position**

Total revenue and other income for the year was \$3,454,107. Of this revenue, \$57,016 was interest earned from cash held at banks and on term deposits and \$549,432 was from a Research and Development Tax Incentive. All other income was from the software business.

After direct project related costs of \$56,397, wages of \$1,713,116, depreciation and amortisation of \$542,407 and other expenses of \$804,582 the company produced a net profit after tax of \$337,605 (2013: \$210,739 net loss). The improvement of \$548,344 from prior year is primarily due to an increase in revenue from continuing operations of \$1,003,663 due to a significant customer win during the year.

Energy One offers a comprehensive, integrated platform solution for both physical and financial energy trading in Australia. In response to softer market conditions during the year, the Company focused effort on enhancing the IT solutions offered, especially in physical energy bidding and in energy business automation (EnergyFlow).

As the company continues its research and development activities, the company continues to apply for the R&D Tax incentive and expects to receive \$709,327 in cash from the R&D cost incurred during the 2014 financial year.

The Company's net assets remain consistent compared to last year. As of 30 June 2014 the Group maintains cash of \$1,397,646 with no significant liabilities.

**Significant Changes in State of Affairs**

There were no significant changes in the state of affairs for the company during the 2014 financial year, other than those that are described above

**After Balance Date Events**

There has been no other after balance date transactions that have significantly affected or may significantly affect the operations of the company, the result of those operations or the state of affairs of the company subsequent to the year ended 30 June 2014.

**Compliance Statement**

This report is based on the consolidated financial report which has been subject to audit.

# Energy One Limited

ABN : 37 076 583 018

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated Group	
	Note	2014 \$	2013 \$
Revenue from continuing operations	2	2,847,659	1,843,996
Other revenue	2	606,448	600,765
Direct project related costs	3	(56,397)	(30,196)
Employee benefits expense	3	(1,713,116)	(1,458,967)
Depreciation and amortisation expense	3	(542,407)	(436,683)
Rental expenses	3	(160,484)	(152,727)
Consulting expenses		(366,550)	(256,759)
Insurance		(44,325)	(45,780)
Accounting fees		(61,520)	(51,872)
Other expenses		(171,703)	(222,516)
<b>Profit / (Loss) before income tax</b>		<b>337,605</b>	<b>(210,739)</b>
Income tax expense	4	-	-
<b>Profit / (Loss) after income tax from continuing operations attributable to owners of the parent entity</b>		<b>337,605</b>	<b>(210,739)</b>
Other comprehensive income		-	-
Total comprehensive profit / (loss)		-	-
<b>Total comprehensive profit (loss) attributable to members of the parent entity</b>		<b>337,605</b>	<b>(210,739)</b>
<b>Overall Operations – continuing operations</b>			
Basic earnings per share (cents per share)	7	1.90	(1.18)
Diluted earnings per share (cents per share)	7	1.90	(1.18)

The accompanying notes form part of these financial statements.

# Energy One Limited

ABN : 37 076 583 018

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

		Consolidated Group	
	Note	2014	2013
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8	1,397,646	1,721,333
Trade and other receivables	9	2,190,024	835,139
Other current assets	10	36,491	28,588
<b>TOTAL CURRENT ASSETS</b>		<b>3,624,161</b>	<b>2,585,060</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	11	96,345	146,960
Intangible assets - software	12	1,412,451	1,211,365
Intangible assets - other	12	617,107	617,107
Other assets	10	103,760	103,760
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,229,663</b>	<b>2,079,192</b>
<b>TOTAL ASSETS</b>		<b>5,853,824</b>	<b>4,664,252</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	479,489	128,648
Deferred revenue	15	1,049,941	663,055
Short-term provisions	14	103,474	115,165
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,632,904</b>	<b>906,868</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred revenue	15	388,056	289,978
Long-term provisions	14	61,481	33,631
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>449,537</b>	<b>323,609</b>
<b>TOTAL LIABILITIES</b>		<b>2,082,441</b>	<b>1,230,477</b>
<b>NET ASSETS</b>		<b>3,771,383</b>	<b>3,433,775</b>
<b>EQUITY</b>			
Issued capital	16	8,246,064	8,246,064
Reserves	17	77,581	77,578
Accumulated losses		(4,552,262)	(4,889,867)
<b>TOTAL EQUITY</b>		<b>3,771,383</b>	<b>3,433,775</b>

The accompanying notes form part of these financial statements.

# Energy One Limited

ABN : 37 076 583 018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Consolidated Group			
	Share Capital Ordinary	Share Based Payments Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance at 30 June 2012 (restated)</b>	8,246,064	77,561	(4,679,128)	<b>3,644,497</b>
Total comprehensive (loss) for the year	-	-	(210,739)	<b>(210,739)</b>
Transactions with owners in their capacity as owners:				
Employee share options – value of employee services	-	17	-	<b>17</b>
<b>Balance at 30 June 2013</b>	<b>8,246,064</b>	<b>77,578</b>	<b>(4,889,867)</b>	<b>3,433,775</b>
Total comprehensive profit for the year	-	-	337,605	<b>337,605</b>
Transactions with owners in their capacity as owners:				
Employee share options – value of employee services	-	3	-	<b>3</b>
<b>Balance at 30 June 2014</b>	<b>8,246,064</b>	<b>77,581</b>	<b>(4,552,262)</b>	<b>3,771,383</b>

The accompanying notes form part of these financial statements.

# Energy One Limited

ABN : 37 076 583 018

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

Consolidated Group			
	Note	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,063,062	2,189,980
Receipts of government grants		720,247	714,877
Payments to suppliers and employees		(2,476,021)	(2,433,750)
Interest received		61,903	87,657
Net cash provided by operating activities	21	369,191	558,764
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,722)	(1,098)
Purchase of intangible assets		(1,653)	(801)
Payments for development costs	12(e)	(687,504)	(680,099)
Net cash used in investing activities		(692,879)	(681,998)
Net decrease in cash held		(323,688)	(123,234)
Cash at beginning of financial year		1,825,092	1,948,326
Cash at end of financial year	8	1,501,404	1,825,092

The accompanying notes form part of these financial statements.

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the consolidated entity ("the Group") in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### (a) Basis of preparation

Energy One Limited is a for-profit entity for the purpose of preparing the financial statements.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with all International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

These financial statements have been prepared on an accruals basis under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed at note 1(r).

The financial statements are presented in Australian dollars, which is Energy One Limited's functional and presentation currency.

#### (b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Energy One Limited ("company" or "parent entity") as at 30 June 2014 and the results of the subsidiary for the year then ended. Energy One Limited and its subsidiary together are referred to in this financial report as the group or the consolidated entity.

Subsidiary is an entity over which the parent entity has control. The parent entity controls an entity when the consolidated entity 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 to direct the activities of the entity. A subsidiary is fully consolidated from the date on which control is transferred to the parent entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Accounting policies of the subsidiary are consistent with policies adopted by the Group.

#### (c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The group operates in a single aggregate business segment, being the supply of software and services to the electricity and gas sector. The company operates in a single geographic segment, being Australia.

There has been no impact on the measurement of the company's assets and liabilities.

#### (d) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of allowances, duties and taxes paid.

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (d) Revenue recognition (cont.)

##### *Software Licence Fee Revenue*

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

##### *Project and Implementation Services Revenue for Licence*

Revenue is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. All revenue is stated net of the amount of goods and services tax (GST).

##### *Unearned Support and Maintenance Services Revenue*

Amounts received from customers in advance of provision of services are accounted for as unearned revenue.

##### *Unbilled Revenue*

Amounts recorded as unbilled revenue represents revenues recorded on projects not yet invoiced to customers. These amounts have met the revenue recognition criteria but have not reached the payment milestones contracted with customers.

##### *Interest Income*

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

#### (e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantially enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in other comprehensive income or directly in equity are also recognised directly in other comprehensive income or directly in equity, respectively.

#### (f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and 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).



# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (h) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Group are classified as finance leases. Finance leases are capitalised by recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives received under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

#### (i) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs, maintenance and minor renewals are charged to the income statement during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. 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.

Depreciation of assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, at the following rates:

Plant and equipment	20%-40%
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The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is shorter. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. Gains and losses are included in the consolidated statement of profit or loss and other comprehensive income.

#### (j) Intangible assets

##### *Goodwill*

Goodwill represents the excess of the cost of the acquisition of the net assets of an acquired company or business over the fair value of the Group's share of its net identifiable assets at the date of acquisition. Goodwill is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Goodwill has been tested and, as at 30 June 2014, there has been no impairment.

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (j) Intangible assets (cont.)

##### *Software*

Costs incurred in the development of software are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be reliably measured. Development costs have a finite estimated life of five years and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project. Costs capitalised include external direct costs of materials and services, direct payroll and payroll related costs of employees time spent on the project.

##### *Licences and Trademarks*

Licences and trademarks represent the cost of registering trademarks and licence fees. The amortisation is reflected over the life of the asset.

#### (k) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which had not been settled at balance date. The amounts are unsecured and are usually paid within 60 days of recognition.

#### (l) Financial Instruments

##### *Recognition and Initial Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

##### *Classification and subsequent measurement*

Finance instruments are subsequently measured at either of fair value or amortised cost using the effective interest rate method.

##### *Fair value measurement*

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

The effective interest rate is the interest rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate a shorter period of the net carrying amount of the financial asset or liability.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

##### *Financial assets*

The Group does not have financial assets categorised as financial assets at fair value through profit and loss, held to maturity or available for sale.

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (l) Financial Instruments (cont.)

##### *De-recognition*

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

##### *Financial liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

##### *Derivative instruments*

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value (mark to market) are taken to the income statement unless they are designated as cash flow hedges. There were none held in the 2014 financial year.

##### *Impairment*

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is evidence of impairment for any of the group's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the statement of comprehensive income.

#### (m) Employee benefits

##### *Wages and salaries, annual leave and sick leave*

Liabilities for wages, salaries and superannuation benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables and provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled, including appropriate on-costs. Employee benefits payable later than 12 months have been measured at the present value of the estimated future cash outflows to be made for those benefits.

##### *Long service leave*

A provision for long service leave is taken up for a range of employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data.

##### *Equity-settled compensation*

The Company operates a number of share-based compensation plans. These include a share option arrangement and an employee share scheme. The bonus element over the exercise price of the employee services rendered in exchange for the grant of shares and options is recognised as an expense in the income statement. Fair value of the options at the grant date is expensed over the vesting period.

##### *Employee option plan*

The establishment of the Energy One Employee Option Plan (EOP) was approved by shareholders at the extraordinary general meeting held on 2 April 2007. The EOP was designed to provide long term incentives for directors to deliver long term shareholder returns.

The Tax Paid Option Plan (TPOP) was established on 31 December 2009. The TPOP allows the Company to grant options or rights to acquire ordinary shares in Energy One to selected key employees and selected Directors, subject to satisfying performance and service conditions set down at the time of offer.

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (m) Employee benefits (cont.)

The fair value of options granted under both plans is recognised as an employee benefit expense with corresponding increase in equity. The fair value is measured at grant date. The fair value at grant date is measured using a Black-Scholes option pricing model that takes into consideration the exercise price, the term of the option, the impact of dilution, and the share price at grant date.

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity (share-based payments reserve). The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

Upon the exercise of options, the exercise proceeds received are allocated to share capital and the balance of the share-based payments reserve relating to those options is transferred to share capital.

#### (n) Issued capital

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

If the Company reacquires its own equity instruments, (e.g. as the result of a share buy-back), those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

#### (o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the Australian Taxation Office, are classified as operating cash flows.

#### (p) Earnings per share

Basic earnings per share is determined by dividing the operating profit/(loss) after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account any change in earnings per share that may arise from the conversion of options or convertible notes or other quasi equity instruments on issue at financial year end, into shares in the Company at a subsequent date.

#### (q) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (r) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

##### *Key Estimates — Impairment*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Any impairment is advised in Note 12.

##### *Key Estimates — Research & Development Tax Incentive*

The Group recognises R&D Tax Incentive based on guidelines from the ATO and AusIndustry. Eligible overheads are apportioned to Research and Development based on R&D hours as a percentage of total hours.

##### *Key Estimates — Revenue*

Implementation revenue is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed.

##### *Key Judgments — Provision for impairment of receivables*

The directors have not made a provision for impairment of receivables as at 30 June 2014. Refer to note (s) and Note 9.

#### (s) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of profit or loss and other comprehensive income.

#### (t) Government Grants

The Group, through the continued development of its Software has invested funds in research and development. Under the Research & Development Tax Incentive scheme jointly administered by AusIndustry and the ATO, the Australian Government offers rebates for funds invested in research and development. Government grants relating to development costs are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate. The remaining balance of government grants is directly recognised in the profit or loss.

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

#### (u) Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in statement of comprehensive income.

#### (v) Parent entity financial information

The financial information for the parent entity, Energy One Limited, disclosed in Note 28 has been prepared on the same basis as the consolidated financial statements.

#### (w) New and amended standards adopted by the Company

*The following Accounting Standards and Interpretations are most relevant to the Company:*

##### **AASB 10 Consolidated Financial Statements**

The Company has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The Company not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

##### **AASB 12 Disclosure of Interests in Other Entities**

The Company has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

##### **AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13**

The Company has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The liabilities are measured based on transfer value. The standard requires increased disclosures where fair value is used.

##### **AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)**

The Company has applied AASB 119 and its consequential amendments from 1 July 2013. The standard changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

##### **AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement**

The Company has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 2: REVENUE AND OTHER INCOME

	Note	2014 \$	2013 \$
Sales Revenue			
Sale of licence & related services		2,847,659	1,843,996
Other Revenue			
Interest received from other persons		57,016	76,419
R&D Tax Incentive	(a)	549,432	525,118
Export Market Development Grant		-	(772)
Total Other Income		606,448	600,765
Total Revenue		3,454,107	2,444,761

(a) The Company is expecting a research and development tax incentive of \$709,327 from the Australian Tax Office in FY15 for the R&D cost incurred in the 2014 financial year (2013: \$720,247). A refund of \$720,247 was received on 17 September 2013 for the 2013 claim.

There are no unfulfilled conditions or other contingencies attaching to the grants. The Company did not benefit directly from any other forms of government assistance.

### NOTE 3: PROFIT FOR THE YEAR

	Note	2014 \$	2013 \$
<b>EXPENSES</b>			
<b>Direct project related costs</b> (excl. wages)		56,397	30,196
<b>Depreciation and amortisation</b>			
Plant & equipment	11	54,336	71,759
Software development costs	12	488,071	364,924
Total		542,407	436,683
<b>Rental expense on operating leases</b>			
Minimum lease payments		160,484	152,727
<b>Employee benefit expenses</b>			
Defined contribution superannuation expense		118,143	104,053
Other employee benefits	(a)	1,594,973	1,354,914
Total		1,713,116	1,458,967

(a) From the total employee benefit expense, \$546,798 represent expenditures related to research and development activities (2013: \$524,197)

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 4: INCOME TAX EXPENSE

	2014 \$	2013 \$	
(a) The components of tax expense comprise:			
Current tax	-	-	
Deferred tax	-	-	
	<hr/>	<hr/>	
	-	-	
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 30% (2013: 30%)	101,281	(63,221)	
Add:			
Tax effect of:			
Non-deductible expenses	248,417	230,518	
Less:			
Tax effect of:			
Recoupment of prior year tax losses not previously brought to account	(245,204)	(194,571)	
Benefit of temporary differences not brought to account / (unrecognised deferred tax expense)	(104,494)	27,274	
	<hr/>	<hr/>	
Income tax attributable to entity	-	-	
The applicable weighted average effective tax rates are as follows:	-%	-%	
	Opening Balance	Charge to Income	Closing Balance
(c) Non- Current			
Deferred tax asset			
- Tax losses and others	18,252	213,704	231,956
Deferred tax liability			
- Unearned income	(18,252)	(213,704)	(231,956)
	<hr/>	<hr/>	<hr/>
Net	-	-	-
(d) Tax			
The company has unrecognised accrued tax losses of \$611,877 to 30 June 2014 (2013: \$2,343,710). If those tax losses could be offset against taxable income they could be valued at \$183,563 (2013: \$703,113). These accumulated tax losses have not been brought to account as the probability of their utilisation has not been substantiated.			



# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The names and positions held by key management personnel in office at any time during the financial year are:

(a) Key Management Person	Position
Shaun Ankers	Director and Chief Executive Officer
Andrew Bonwick	Director – Non-Executive
Vaughan Busby	Director – Non-Executive
Ian Douglas Ferrier	Director – Non-Executive
Ottmar Weiss	Director and Chairman – Non-Executive
Reena Minhas	Chief Financial Officer and Company Secretary
Vincent Ten Krooden (a)	Operations Manager

(a) Vincent ten Krooden left the company on 11<sup>th</sup> July 2014

Total key management personnel compensation of \$663,216 (2013: \$598,664) consists of short-term benefits of \$558,255 (2013: \$551,004), cash bonuses of \$52,512 (2013: \$nil) post-employment benefits of \$44,972 (2013: \$42,432), long-term benefits of \$7,474 (2013: \$5,211) and a share based payment of \$3 (2013: \$17).

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

### (b) Interest in Shareholdings

The number of shares in the company held during the financial year by each Director and other key management personnel of the company, including their personally related parties, are set out below. There were no shares granted during the period as compensation.

### Number of Shares Held by Key Management Personnel (2014)

	Balance 1.7.2013	Options Exercised	Net Change	Shares held on appointment/ (cessation)	Balance 30.6.2014
Mr Shaun Ankers	87,000	-	-	-	87,000
Mr Andrew Bonwick	359,500	-	-	-	359,500
Mr Vaughan Busby	3,623,536	-	-	-	3,623,536
Mr Ian Ferrier	6,492,162	-	-	-	6,492,162
Mr Ottmar Weiss	873,377	-	-	-	873,377
Ms Reena Minhas	44,667	-	-	-	44,667
Vincent Ten Krooden	5,000	-	-	-	5,000
Total	11,485,242	-	-	-	11,485,242

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION (cont.)

#### (b) Interest in Shareholdings (cont.)

The number of shares in the company held during the financial year by each Director and other key management personnel of the company, including their personally related parties, are set out below. There were no shares granted during the period as compensation.

#### Number of Shares Held by Key Management Personnel (2013)

	Balance 1.7.2012	Options Exercised	Net Change	Shares held on appointment/ (cessation)	Balance 30.6.2013
Mr Shaun Ankers	87,000	-	-	-	87,000
Mr Andrew Bonwick	359,500	-	-	-	359,500
Mr Vaughan Busby	3,613,536	-	10,000	-	3,623,536
Mr Ian Ferrier	6,492,162	-	-	-	6,492,162
Mr Ottmar Weiss	873,377	-	-	-	873,377
Ms Reena Minhas	44,667	-	-	-	44,667
Vincent Ten Krooden	5,000	-	-	-	5,000
Total	11,475,242	-	10,000	-	11,485,242

#### (c) Loans to key management personnel

There were no loans to directors of the Company or to key management personnel, including their personally related parties.

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 6: AUDITORS' REMUNERATION

	2014 \$	2013 \$
Remuneration of the auditor of the Company and its related parties for:		
Auditing and reviewing the financial reports	44,000	37,250
Taxation Services	18,320	7,800
Total	62,320	45,050

It is the Group's policy to engage Crowe Horwath Sydney to conduct assignments additional to their statutory audit duties where appropriate. This primarily includes the review of the income tax return.

### NOTE 7: EARNINGS PER SHARE

	2014 \$	2013 \$
Basic EPS	0.0190	(0.0118)
Diluted EPS	0.0190	(0.0118)
(a) Earnings used in calculating basic and diluted earnings per share	337,605	(210,739)
(b) Weighted average number of ordinary shares used in calculating basic earnings per share	17,793,229	17,793,229
(c) Weighted average number of options outstanding (note a)	-	-
(d) Weighted average number of ordinary shares used in calculating diluted earnings per share:	17,793,229	17,793,229
(e) Information concerning the classification of securities		

#### (i) Options

The options outstanding at 30 June 2014 are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year end 30 June 2014. These options could potentially dilute basic earnings per share in the future. Details relating to the options are set out in Note 25.

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 8: CASH AND CASH EQUIVALENTS

	2014 \$	2013 \$
Cash at bank and in hand	153,847	300,728
Short-term bank deposits	1,243,799	1,420,605
	<u>1,397,646</u>	<u>1,721,333</u>

At the reporting date, the consolidated Group has deposits with banks that are used for bank guarantees of \$103,758. The balance is included as other non-current assets.

The effective interest rate on short-term bank deposits for the year was 3.50% (2013: 4.46%); these deposits have an average maturity of 91 days. The weighted average effective interest on cash and cash equivalents was 2.96% (2013: 3.96%).

#### Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flow reconciled to items in the balance sheet as follows:

	Note	2014 \$	2013 \$
Cash and cash equivalents		1,397,646	1,721,333
Deposit with bank for bank guarantees:			
Other non-current assets	10	103,758	103,758
Balance per statement of cash flows		<u>1,501,404</u>	<u>1,825,092</u>

The Group's exposure to interest rate risk is discussed in Note 24.

### NOTE 9: TRADE AND OTHER RECEIVABLES

		2014 \$	2013 \$
<b>Current</b>			
Trade receivables		706,062	52,691
Accrued income	(a)	770,945	53,710
R&D Tax Incentive	(b)	709,327	720,247
Other receivables	(c)	3,690	8,491
		<u>2,190,024</u>	<u>835,139</u>

#### (a) Accrued Income

As at 30 June 2014 the Group accrued income based on work completed and not yet invoiced.

#### (b) R&D Tax Incentive

As at 30 June 2014 the Group expects an R&D Tax incentive claim from the Australian Tax Office for Research and Development relating to software research and development in the year ended 30 June 2014.

#### (c) Other receivables

As at 30 June 2014, other receivables was mainly represented by accrued interest income.

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 9: TRADE AND OTHER RECEIVABLES (cont.)

#### (d) Fair Value, Credit and Interest Rate Risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to Note 24 for more information on the risk management policy of the Group and the credit quality of the entity's trade receivables, along with interest risk.

The following table details the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past due and impaired	Past due but not impaired				Within initial trade terms
			<30	31-60	61-90	>90	
<b>2014</b>							
Trade receivables and accrued income	1,477,008	-	-	-	-	1,650	1,475,358
Other receivables	713,016	-	-	-	-	-	713,016
<b>Total</b>	<b>2,190,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,650</b>	<b>2,188,374</b>
<b>2013</b>							
Trade receivables and accrued income	106,401	-	-	-	-	-	106,401
Other receivables	728,738	-	-	-	-	-	728,738
<b>Total</b>	<b>835,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>835,139</b>

### NOTE 10: OTHER ASSETS

	2014 \$	2013 \$
<b>Current</b>		
Prepayments	36,491	28,588
	<b>36,491</b>	<b>28,588</b>
<b>Non-Current</b>		
Deposit with bank for rental bond	103,758	103,758
Other	2	2
	<b>103,760</b>	<b>103,760</b>

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 11: PLANT AND EQUIPMENT

	2014	2013
	\$	\$
At cost	336,164	344,760
Accumulated depreciation	(239,819)	(197,800)
	<hr/> 96,345	<hr/> 146,960

#### (a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year are reconciled as follows:

	Total Plant and Equipment \$
<b>Balance as at 30 June 2012</b>	<b>217,621</b>
Additions	1,098
Depreciation expense	(71,759)
<b>Balance as at 30 June 2013</b>	<b>146,960</b>
Additions	3,722
Depreciation expense	(54,337)
<b>Balance as at 30 June 2014</b>	<b>96,345</b>

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 12: INTANGIBLE ASSETS

	Notes	2014 \$	2013 \$
Software costs	12(a)	4,556,546	3,877,745
Software accumulated amortisation	12(b)	(3,144,095)	(2,666,380)
Total software development costs		1,412,451	1,211,365
Goodwill at cost	12(c)	617,107	617,107
Impairment loss and write offs	12(d)	-	-
Total other intangible assets		617,107	617,107
Total Intangible Assets		2,029,558	1,828,472

#### (a) Software Development Costs

Software development costs are a combination of acquired software and internally generated intangible assets. From total additions (internally developed) of \$687,504, \$58,210 represents capitalised superannuation benefits and \$629,294 represents other employee benefits (2013: total additions of \$680,099, \$56,155 represents capitalised superannuation benefits and \$623,944 represents other employee benefits).

#### (b) Accumulated Amortisation

Amortisation of \$488,071 (2013: \$364,924) is included in depreciation and amortisation expense in the profit and loss.

#### (c) Goodwill

Goodwill relates to the purchase of software businesses in 2008 and 2012.

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income. Goodwill has an infinite life, subject to impairment testing. Goodwill is monitored by management at the cash generating unit (CGU) level. Management identified four CGU's in the current financial year. Goodwill amounting to \$447,107 is allocated to the ETRM CGU, whilst \$170,000 is allocated to the Physical Energy Bidding CGU.

Goodwill and software are allocated to the cash generating unit based on the acquired businesses. The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow. The cash flows are prepared applying a discount rate of 13.40% (2013: 18.69%) over a 5 year period.

Management has based the value-in-use calculations on budgets. These budgets use estimated and actual sales to project revenue. Costs are calculated taking into account historical gross margins. Discount rates are pre-tax.

Management have performed an impairment test of the goodwill at the balance sheet date and have concluded that no impairment write-down is required.

#### (d) Impairment loss and write offs

Management have performed an impairment test of software, contracts and goodwill at the balance sheet date and have concluded that there are no impairments or significant write offs.

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 12: INTANGIBLE ASSETS (cont.)

#### (e) Movements in intangible assets during the year

	Goodwill	Software	Total
	\$	\$	\$
<b>Net carrying value at 30 June 2012</b>	<b>617,107</b>	<b>895,389</b>	<b>1,512,496</b>
Additions - internally developed	-	680,099	680,099
Additions - purchased	-	801	801
Amortisation expense	-	(364,924)	(364,924)
<b>Net carrying value at 30 June 2013</b>	<b>617,107</b>	<b>1,211,365</b>	<b>1,828,472</b>
Additions - internally developed	-	687,504	687,504
Additions - purchased	-	1,653	1,653
Disposals - carrying value	-	-	-
Amortisation expense	-	(488,071)	(488,071)
<b>Net carrying value at 30 June 2014</b>	<b>617,107</b>	<b>1,412,451</b>	<b>2,029,558</b>

### NOTE 13: TRADE AND OTHER PAYABLES

	2014 \$	2013 \$
Unsecured liabilities		
Trade payables	43,042	29,391
GST payable	91,662	-
Accrued consultant and director's fees	79,049	2,750
Accrued bonus	79,191	-
Sundry payables and other accrued expenses	186,545	96,507
<b>Total financial liabilities at amortised cost</b>	<b>479,489</b>	<b>128,648</b>

Trade and other creditors are unsecured, non-interest bearing and are normally settled within 60 day terms.



# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 14: PROVISIONS

	Notes	2014 \$	2013 \$
<b>Current</b>			
Employee benefits (Annual leave provisions)	14(a)	103,474	115,165
<b>Non-Current</b>			
Employee benefits (Long service leave provisions)	14(b)	61,481	33,631

(a) The entire obligation is presented as current since the Group does not have an unconditional right to defer settlement.

(b) A provision has been recognised for employee entitlements relating to Long Service Leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1(m) to this report.

### NOTE 15: DEFERRED REVENUE

	2014 \$	2013 \$
<b>Current</b>		
Support & maintenance fee received in advance	873,374	548,304
Unearned R&D Tax Incentive	176,567	114,751
	1,049,941	663,055
<b>Non-Current</b>		
Unearned R&D Tax Incentive	388,056	289,978
	1,437,997	953,033

### NOTE 16: ISSUED CAPITAL

	2014 \$	2013 \$
17,793,229 fully paid ordinary shares (2013: 17,793,229 fully paid ordinary shares)	8,246,064	8,246,064

#### Ordinary Shares

	No of shares	No of shares
Balance at the beginning of the financial year	17,793,229	17,793,229
Shares movements in the year	-	-
Balance at the end of the financial year	17,793,229	17,793,229

#### Movements on ordinary share capital

Date	Details	\$	No of shares
1 July 2013	Opening Balance	8,246,064	17,793,229
30 June 2014	Closing Balance	8,246,064	17,793,229

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 16: ISSUED CAPITAL (cont.)

#### (a) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

There is no current on-market buy-back.

#### (b) Capital Management

The Group's objectives when managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Management effectively manages the Group's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. The Group has an externally imposed capital requirement to maintain \$50,000 surplus cash, a requirement of holding an Australian Financial Services Licence. There have been no breaches during the year.

### NOTE 17: RESERVES

#### Share based payment reserve

The share based payment reserve is used to recognise the fair value of options issued to employees and directors and the fair value of shares issued to employees.

#### Expenses arising from share based payment transactions

Total expense arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2014 \$	2013 \$
Options issued to directors in prior years	3	17
	<hr/> 3	<hr/> 17

The movements in reserves comprises:

	2014 \$	2013 \$
Opening Balance	77,578	77,561
Unexercised Options – value of employee service	3	17
	<hr/> 77,581	<hr/> 77,578

### NOTE 18: CAPITAL AND LEASING COMMITMENTS

#### (a) Operating Lease Commitments

Non-cancellable operating leases (including tenancy leases) contracted for at the reporting date but not capitalised in the financial statements:

	2014 \$	2013 \$
• Not later than 12 months	201,601	192,920
• Between 12 months and 5 years	57,670	259,571
	<hr/> 259,271	<hr/> 452,191

# Energy One Limited

ABN : 37 076 583 018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 18: CAPITAL AND LEASING COMMITMENTS (cont.)

At the reporting date the Group leases one office, which is under a non-cancellable operating lease which expires in October 2015.

### (b) Capital Expenditure Commitments

There are no capital expenditure commitments contracted for at the reporting date but not recognised as liabilities payable

### NOTE 19: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group had no contingent liabilities or contingent assets as at 30 June 2014.

### NOTE 20: SEGMENT REPORTING

The Group is managed primarily on the basis of product and service offerings and operates in one segment, being the Energy software industry, and in one geographical segment, being Australia.

During the year ended 30 June 2014 the Group derived 77% of revenue from three major customers to which it provided both licences and services. The Company's most significant external customer accounts for 44% of external revenue with the next largest customer contributing 20%. Management assess the performance of the operating segment based on the accounting profit and loss.

### NOTE 21: CASHFLOW INFORMATION

(a)	Reconciliation of Cash Flow from Operations with Profit (Loss) from Ordinary Activities after Income Tax	2014 \$	2013 \$
	Profit/(Loss) from ordinary activities after income tax	337,605	(210,739)
	Non-cash flows in profit from ordinary activities		
	Depreciation and amortisation	542,407	436,683
	Impairment losses and write-offs	-	100
	Employee option expense	3	17
	Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
	(Increase)/decrease in trade and other receivables	(1,199,792)	124,653
	(Increase)/decrease in other assets	(3,101)	(3,466)
	Increase/(decrease) in trade and other payables	134,123	(44,285)
	Increase/(decrease) in provisions	232,877	31,144
	Increase in deferred income	325,069	224,656
	<b>Net cash provided by operating activities</b>	<b>369,191</b>	<b>558,764</b>

# Energy One Limited

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 22: EVENTS AFTER THE BALANCE SHEET DATE

There have been no after balance date transactions that have significantly affected or may significantly affect the operations of the Group, the result of those operations or the state of affairs of the Group's subsequent to the year ended 30 June 2014.

This financial report was authorised for issue by the Directors on 05 August 2014. The Company has the power to amend and reissue this report.

### NOTE 23: RELATED PARTY TRANSACTIONS

#### (a) Parent entity

The parent entity within the group is Energy One Limited.

#### (b) Subsidiaries

Interests in subsidiaries are set out in Note 27.

#### (c) Key management personnel

Disclosures relating to key management personnel are set out in Note 5.

#### (d) Transactions with related parties

Revenue for software and hardware components provided to BRI Ferrier, a company in which one of the directors has an ownership interest, amounted to \$4,846.

### NOTE 24: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Financial risk management is carried out by the Chief Financial Officer under policies approved by the Board of Directors and the Risk Committee. The CFO identifies, evaluates the financial risks in close cooperation with the Company's management and board.

The Group holds the following financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements:

	Note	Consolidated Group	
		2014 \$	2013 \$
<b>Financial assets</b>			
Cash and cash equivalents	8	1,397,646	1,721,333
Trade and other receivables	9	2,190,024	835,139
Due within 12 months		3,587,670	2,556,472
Deposit with bank for bank guarantee – due after 12 months	8	103,758	103,758
<b>Financial Liabilities</b>			
Trade and other payables - due within 12 months	13	(479,489)	(128,648)
Net assets		3,211,939	2,531,582

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 24: FINANCIAL RISK MANAGEMENT (cont.)

#### (a) Market Risk

##### (i) Foreign exchange risk

The Group does not have any significant exposure to foreign exchange risk.

##### (ii) Cash flow and fair value interest rate risk

Exposure to interest rate risk arises on financial assets and liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows. The Group's main interest rate risk at year end arises from short-term deposits. The Group is exposed to earnings volatility on floating rate instruments.

The interest rate risk is managed using a mix of fixed and floating short-term deposits. At 30 June 2014 approximately 89% of short term deposits were fixed. Short-term deposits are used to ensure that the best interest rate is received. Interest rates are reviewed prior to deposits maturing and re-invested at the best rate, which is why the Group uses a number of banking institutions.

##### (ii) Cash flow and fair value interest rate risk (cont.)

The interest rate risk is detailed in the below table.

	Weighted Average Effective Interest rate		Fixed Interest Rate		Floating Interest Rate		Non-Interest Bearing		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Assets</b>										
Cash and cash equivalents	2.96	3.96	1,243,799	1,420,604	153,847	300,729	-	-	1,397,646	1,721,333
Receivables	-	-	-	-	-	-	2,190,024	835,139	2,190,024	835,139
Deposit for bank guarantee	4.00	4.00	103,758	103,758	-	-	-	-	103,758	103,758
<b>Total Financial Assets</b>			1,347,557	1,524,362	153,847	300,729	2,190,024	835,139	3,691,428	2,660,230
<b>Financial Liabilities</b>										
Payables			-	-	-	-	479,489	128,648	479,489	128,648
<b>Total Financial Liabilities</b>			-	-	-	-	479,489	128,648	479,489	128,648

##### (iii) Sensitivity Analysis

###### *Interest Rate Risk*

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at reporting date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 24: FINANCIAL RISK MANAGEMENT (cont.)

At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2014 \$	2013 \$
Change in profit		
• Increase in interest rate by 1%	2,396	2,474
• Decrease in interest rate by 1%	(2,396)	(2,474)
Change in equity		
• Increase in interest rate by 1%	2,396	2,474
• Decrease in interest rate by 1%	(2,396)	(2,474)

The above interest rate risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

#### (b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to trading customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Banks without a rating of 'A', but included in the government guarantee will be considered with a maximum \$1M deposit. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with limits set by the CFO. The compliance with credit limits is monitored by the CFO.

The maximum exposure to credit risk by class of recognised financial assets at reporting date is equivalent to the carrying value and classification of those financial assets as presented in the balance sheet. Details with respect to credit risk of trade and other receivables are provided in Note 9. No single deposit was larger than \$1M. The Group does not hold any security or guarantees for the financial assets.

#### (c) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through adequate amounts of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets, for instance cash.

The Group at 30 June 2014 had deposits which mature within two months and cash at bank. Due to the cash available to the Group there is no use of any credit facilities at reporting date.

All financial assets and liabilities are due within 12 months.

#### (d) Fair Value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. At reporting date, the Group's financial assets consist of cash and cash equivalents and receivables.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 25: SHARE BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2014:

The Tax Paid Option Plan (TPOP) was established on 31 December 2009. The TPOP allows the Company to grant options or rights to acquire ordinary Shares in Energy One to selected key employees and selected Directors, subject to satisfying performance and service conditions set down at the time of offer.

500,000 options issued on 15 December 2010 are currently held in the plan.

	2014		2013	
	Number Of Options	Weighted Average Exercise Price	Number Of Options	Weighted Average Exercise Price
Balance at the start of the year	500,000	\$0.37	500,000	\$0.37
Granted during the year	-		-	
Lapsed during the year	-		-	
Balance at end of the year	500,000	\$0.37	500,000	\$0.37
Exercisable at year-end	-		-	
Outstanding at year-end	500,000		500,000	

The average remaining contractual life of the 500,000 options outstanding was 1.39 years. The exercise price of these outstanding options was \$0.37.

The performance conditions in relation to these options have not been met, however under the plan terms the 500,000 shall still be available to vest under the 'change of control' provisions up until the last exercise date.

### Fair Value of Options granted during the year

The fair value at grant date of options was \$0.000210 cents per option. The fair value of options at grant date is independently determined using a Black - Scholes option pricing model that takes into account the exercise price of \$0.37, 5 year term of the option, the impact of the dilution, the share price at grant date of \$0.13 and expected price volatility of the underlying share of 15%, the expected dividend yield of nil and the risk free interest rate of 5.35% for the term of the option.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 26: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

#### ***AASB 9 Financial Instruments and its consequential amendments***

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

#### ***AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities***

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

#### ***AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets***

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

#### ***Annual Improvements to IFRSs 2010-2012 Cycle***

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.



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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 26: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

#### *Annual Improvements to IFRSs 2011-2013 Cycle*

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

There are no other standards that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### NOTE 27: SUBSIDIARY

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(b)

Name of entity	Country of incorporation	Equity Holding	
		2014 %	2013 %
Energy One Limited Employee Option Plan Managers Pty Ltd	Australia	100	100

### NOTE 28: PARENT ENTITY FINANCIAL INFORMATION

#### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amount amounts:

	2014	2013
<b>Balance Sheet</b>		
Current assets	3,624,161	2,585,060
Total assets	5,853,824	4,664,252
Current liabilities	1,632,904	906,868
Total liabilities	2,082,440	1,230,477
<i>Shareholder equity</i>		
Issued capital	8,246,064	8,246,064
Reserves	77,581	77,578
Accumulated losses	(4,552,262)	(4,889,867)
Total Equity	3,771,383	3,433,775
Profit and loss for the year	337,605	(210,739)
Total comprehensive income	337,605	(210,739)

#### (b) Guarantees entered into by the parent entity

Nil

#### (c) Contingent liabilities of the parent entity

Nil

#### (d) Contractual commitments for the acquisition of property, plant or equipment

Nil

# **Energy One Limited**

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## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014**

### **NOTE 29: COMPANY DETAILS**

Energy One Limited is a company limited by shares, incorporated and domiciled in Australia.

The registered office of the Company is:

Level 14, 71 Macquarie St  
Sydney NSW 2000

The principal place of business is:

Level 14, 71 Macquarie St  
Sydney NSW 2000

The principal activity of the Company is the supply and development of software and services to energy companies and utilities.