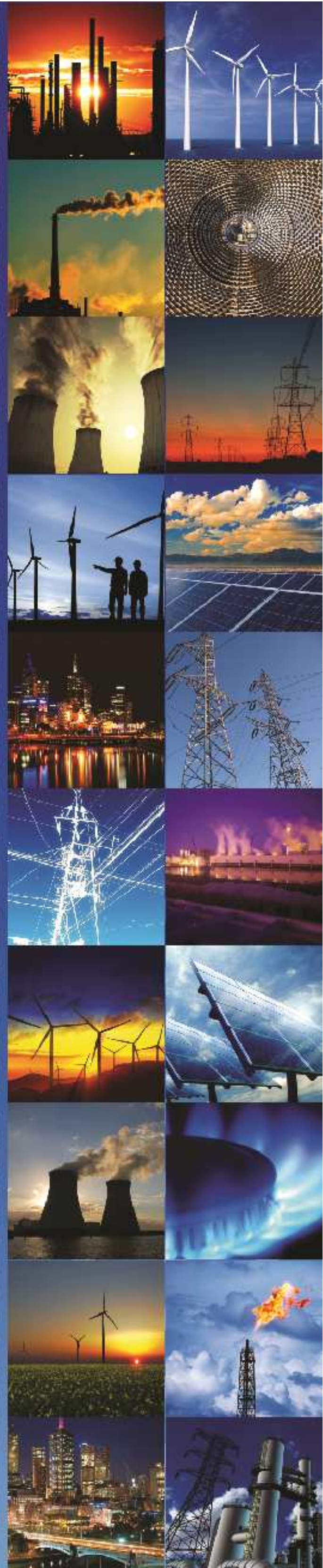
2014
ANNUAL REPORT

for the Financial Year ended 30 June 2014



ENERGYONE
INTEGRATED BUSINESS SOLUTIONS

ENERGY AND CARBON
Trading and Risk Management Enterprise Solutions

www.energyone.com.au

Corporate Directory

Board of Directors

Ottmar Weiss
Chairman

Shaun Ankers
Managing Director

Vaughan Busby
Non - Executive Director

Andrew Bonwick
Non - Executive Director

Ian Ferrier
Non - Executive Director

Company Secretary

Reena Minhas

Registered Office

Level 14
71 Macquarie Street
Sydney NSW 2000

Principal Office

Level 14
71 Macquarie Street
Sydney NSW 2000
Tel: 02 8252 9898
Fax: 02 8252 9888

Corporate Directory

Solicitors

Johnson Winter & Slattery
Level 25
20 Bond Street
Sydney NSW 2000

Investor Information

Energy One Limited Shares are listed on the Australian Stock Exchange (ASX).

ASX Code: EOL

ACN: 076 583 018

Share registry

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney NSW 2000

Website Address

www.energyone.com.au

Auditors

Crowe Horwath Sydney
Level 15
1 O'Connell Street
Sydney NSW 2000

Contents

Chairman's Report

Dear Shareholder,

This past year has seen Energy One starting to realise returns on its recent investments, with both a significant increase in revenues for the year and a profitable financial result for shareholders.

More detail on Energy One's operational performance can be found in the Managing Director's report.

Whilst many of our customers continue to experience depressed wholesale market conditions (particularly in the electricity sector), Energy One has been able to successfully promote the benefits of its integrated and innovative product range and its proven project delivery credentials to customers seeking business efficiencies through reliable IT systems and consolidation of systems supply with a single vendor.

Energy One's continued product diversification allows Energy One to offer a range of products and services to wholesale energy trading companies seeking to operate a suite of integrated products. Whereas a customer may initially use one of our products, they may also transition to using many other products and services that we offer. This allows customers to progressively introduce systems and allows Energy One to seek continued growth from existing customers. This incremental and continual growth is one of the key drivers behind our strategy for product diversification. In the year ahead, the Company plans to seek further opportunities for growth through acquisitions of complementary businesses and through increased offshore marketing.

The year past has been one of a significant and pleasing turnaround. 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. The year ahead will be one of consolidation and ongoing leveraging of the valuable human and product assets we have at our disposal to continue to grow the Company.

Energy One remains committed to using our position as the premier supplier of software and services to the Australian energy industry to grow the business and broaden our offerings and customers. Our strategy is focussed on achieving these goals.

The Board remains committed to improving the performance of the business into the future, thereby maximising shareholder value. In part, this has been reflected in an improving share price and trading liquidity on the ASX.

In closing, I would like to thank my fellow directors, management and staff for their dedication and strong efforts throughout the year.

Ottmar Weiss

Managing Director's Report

Dear Shareholder,

I am pleased to announce that Energy One has achieved a profitable financial year. The investment the Company has made over the past 2 years in product and market development is now starting to bear fruit.

In the past 6 months, Energy One has announced that it has secured long term contracts with two major Australian energy utilities. One of these, Alinta Energy, involves all the elements of our *Wholesale Energy Trading Suite*. This project has commenced and we are in the process of delivering the business benefits that the Suite can bring to sophisticated wholesale energy players who operate in our national energy markets.

Furthermore, we continue to stake our claim as the premier supplier of Energy Trading and Risk Management (ETRM) systems in Australia with the advent, in this July, of a project to install our Energy One Trading (EOT) platform into another major Australian utility. This project will commence during the FY15 year and is intended to operate for many years thereafter.

This result cements EOT's position as having the broadest applicability of any vendor-supplied ETRM in the Australian market. EOT brings with it security in the knowledge that the system is proven and has a simple installation process and reliable operation. In an area of business where IT budgets are often under scrutiny, the comfort of achieving IT project success on time and on budget is valued by our customers.

The market in which our customers operate continues to be a testing one, with a national focus on increasing retail energy prices that is not reflected in increased wholesale energy prices. Electricity in particular, is prone to reduced demand caused by a number of factors, including the prevalence of domestic solar power. This has led to softer prices in the market for our customers and a consequent need for them to seek efficiencies across their businesses.

Consequently, we see opportunities for our range of products (the *Wholesale Energy Trading Suite*) to deliver these business gains to customers. Energy One's products assist by increasing reliability of trading operations, improved auditability and workload automation and efficiency. Importantly, in dealing with Energy One, customers are able to consolidate a number of software systems and services through a single specialist vendor. These systems are delivering greater reliability, accountability and confidence that in the long term, Energy One will continue to evolve the product range to take account of changing market conditions and needs. This long term partnership approach, in return, enables Energy One to continue to invest in product innovation to ensure the company remains the benchmark for functionality and reliability in energy trading.

The 2013/14 Year in Review

During the year, the Company continued to invest in innovative product developments to meet the needs of the complex and sophisticated wholesale energy market.

The Company also invested in sales and marketing efforts and these have resulted in successful sales to major customers.

The Company has also been trialling and demonstrating its products with other customers, with at least one major pre-existing customer indicating its wish to upgrade to newer versions of software in the near future.

As such, 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.

Net profit before tax for the full year was $338k, compared to a loss of ($211k) for FY13. This result was achieved from FY14 revenues of $3.5M. Revenues therefore increased some 41% on the prior year, a pleasing outcome to the effort expended by the Company.

The Company achieved an operating cashflow during the financial year of $369k from underlying operations.

Outlook for 2015

For the year ahead, the Company intends to consolidate its progress in the market by successfully delivering recently won projects to our customers.

We intend to continue our sales efforts with other potential customers in the local market and further explore offshore opportunities for our products.

We will also actively pursue opportunities for growth through new sales and strategic acquisitions that add complementary products and services to complement our core business and bring value to our energy market customers.

About Energy One: Solutions tailored for our markets

Energy One offers comprehensive, integrated platform solutions for customers looking to manage their energy trading operations, both physical and financial, in the Australian energy market.

Our customers are producers, traders and retailers of energy. The Suite of Energy One products has been developed for local conditions and offers unrivalled functionality and applicability for the complex trading landscape these customers operate within. Our customer list includes leading businesses in this marketplace.

Our products are available as Software-as-a-Service (SaaS) and can be deployed in the cloud to take advantage of the latest developments in the modern technology environment thereby providing flexible solutions to meet the evolving needs of our customers.

In summary, our expertise includes the following areas:

- Wholesale energy and carbon trading software, including front, middle and back office (ETRM).
- Physical energy bidding and trading in electricity and gas as well as physical logistics (e.g. pipelines).
- Risk management.
- Consulting in wholesale and retail energy markets.
- IT and Database services and managed applications.
- Versatile deployment and licensing solutions.

Continued Investment

During the year, our investment in innovation and development was in excess of $1M. A selection of our product offerings are detailed here.

EnergyFlow - Energy business automation

The EnergyFlow platform is a ground-breaking solution that allows customers to automate their energy business operations - from logistics and nominations in energy, through specialist tasks such as environmental transactions, to settlements and position reporting. This platform enables businesses to reduce paperwork, eliminate un-necessary manual tasks and improve compliance and record-keeping.

EnergyFlow forms part of our integrated *Wholesale Energy Trading Suite* that enables customers to manage their entire wholesale energy market trading operation for electricity, carbon and gas.

Physical Energy Bidding software (EnergyOffer)

Energy One is the leading local provider of enterprise bidding systems that enable energy producers (such as electricity generators) to bid their energy into spot or pool markets. This vital process is a 24/7 mission-critical process for energy companies and our class-leading EnergyOffer platform enables our customers to offer their wholesale energy generation reliably and efficiently across the various markets such as NEM, STTM, WEM and VicGas.

Solutions for Carbon

Energy One Trading is the only ETRM system that is out-of-the-box ready for carbon and environmental certificate trading needs - a point of differentiation with our competitors. We continue to refine the functionality in our product solutions to enable customers to manage and trade their carbon obligations both here and across the globe.

Business Intelligence

In energy, data and reporting are all-important. We offer a powerful array of market analytics tools for electricity and gas. In addition, we offer reporting tools to enable customers to rapidly analyse their trading positions across their derivatives and environmental inventories.

With our team of industry experts, great products and local service, the company is well positioned for the coming year.

I would like to thank the Directors, our management team and all employees for their effort and commitment during this year. We look forward to a prosperous year ahead and into the future.

Shaun Ankers

Corporate Governance Policy

Energy One Limited (the "Company") and its board of Directors (the "Board") are committed to achieving and demonstrating the highest standards of corporate governance.

Set out below is the Company's Corporate Governance Policy, the underlying principles of which are:

1. Lay solid foundations for management and oversight
2. Structure the board to add value
3. Promote ethical and responsible decision-making
4. Safeguard integrity in financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of shareholders
7. Recognise and manage risk
8. Remunerate fairly and responsibly

Each of these principles is dealt with in detail below.

PRINCIPLE 1: Lay solid foundations for management and oversight

The Board acknowledges that it is responsible for guiding and monitoring the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. To this end the Board is responsible for creating and safeguarding shareholder value.

The Board delegates responsibility for the operation and administration of the Company, including the day-to-day management of Energy One's affairs and the implementation of corporate strategy and policy initiatives, to the Chief Executive Officer (the "CEO") and the Senior Executives.

The Board is responsible for ensuring that management's objectives and activities are aligned with those of the shareholders and the Board. The Board's functions include:

- Protecting and advancing the interests of the shareholders.
- Providing strategic guidance for the Company
- Providing effective oversight of management
- Ensure that the Company operated ethically and responsibly and in compliance with internal codes of conduct, legal and regulatory requirements
- Ensuring that any significant risks are identified, assessed, appropriately managed and monitored
- Overseeing and reviewing the performance of the Senior Executives
- Ensuring the integrity of financial reporting
- Ensuring a high standard of corporate governance
- Enhancing and protecting the reputation of Energy One
- Ensuring the Board structure and its composition is effective
- Overseeing shareholder communication

See within this report for further information on senior executives.

PRINCIPLE 2: Structure the board to add value

Board composition

Any director appointed to fill a casual vacancy must stand for election by shareholders at the next Annual General Meeting. In addition, one-third of the Non-Executive Directors, and any other director who has held office for three years or more since last being elected, must retire from office and, if eligible, stand for re-election.

The CEO is exempt from retirement by rotation and is not counted in determining the number of directors to retire by rotation.

The following principles shall apply in respect of the Board:

- The majority of the Board will ideally be composed of independent directors, however based on the size of the Company and Board this may not always be possible.
- The Chairman and Chief Executive Officer must be separate persons.
- A director is deemed to be "independent" if they are independent of management and free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.
- All directors, whether independent or not, should bring independent judgment to bear on board decisions. It is agreed, in appropriate circumstances, directors can have access to independent professional advice at the Company's expense.
- Non-executive directors confer regularly without management present, including at scheduled sessions.
- Specifically, an independent director is a Non-Executive Director who:
    - is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
    - within the last three years has not been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
    - within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;

PRINCIPLE 2: Structure the board to add value (continued)

- is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or another group member other than as a director of the Company;
- has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company
- is free from any interest and any business or other relationship, which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the Company.

Where the independence status of a director changes, the Company will provide immediate notification of such change to the market. The Board will regularly assess whether each non-executive director is independent.

Given the small size of the Energy One Board, the Nomination Committee will comprise the full Board. The Board will regularly review its composition to ensure that the Board continues to have the mix of skills and experience necessary for the conduct of the Company's activities.

The Directors believe the skill base of the current Directors is appropriate and adequate for the Company given its present size and stage of development. The Board will continue to monitor the need for additional skills on the Board and make further appointments as appropriate. The Chairman is elected by the full Board.

The Board holds at least eight meetings each year. Additional meetings may be held as deemed necessary to address significant matters as they arise.

The Chairman and the CEO meet regularly to discuss key issues and performance trends of Energy One.

On regular occasions the Directors receive a detailed operating review from the CEO regardless of whether or not a Board meeting is being held.

The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted and for ensuring directors are properly briefed for meetings. The CEO is responsible for implementing Energy One's strategies and policies.

Potential conflicts of interest by directors will be reported to the Board and, if necessary, directors will be excluded from discussion of the relevant matter and will not vote on that matter.

To assist in the effective discharge of their duties, directors may, in consultation with the Chairman, seek independent legal or financial advice on their duties and responsibilities at the expense of the Company and, in due course, make all Board members aware of both instructions to advisers and the advice obtained.

All directors have the right of access to all relevant Company information and to seek information from the Company secretary and senior executives. They also have a right to other records of the Company subject to these not being sought for personal purposes.

Prior to each Board meeting, the Board is provided with management reports and information in a form, timeframe and quality that enables them to discharge their duties. If they consider this information to be insufficient to support informed decision making, then they are entitled to request additional information prior to or at Board meetings. Executive management will regularly attend Board meetings to report on specific matters.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, in discharging its stewardship it makes use of sub-committees. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board.

The Board has three formally constituted Committees:

- the Audit Committee – refer Principle 4;
- the Risk Committee – refer Principle 7; and
- the Remuneration Committee – refer Principle 8.

The Board evaluates its collective performance, at which time various issues are considered including the quality of the Board's relationship with management, Board succession, complementary skill sets and the Board's role, contribution and effectiveness.

The Board regularly evaluates management's performance against various criteria and requires senior executives to formally address the Board on execution of strategy and associated issues.

Other directors maintain contact with relevant senior executives through dealings on Committees.

The Chief Executive Officer performs evaluations of senior executives and the results reviewed annually by the Remuneration Committee with specific focus on performance against key performance indicators. Also at this time key performance indicators for the ensuing year are established.

The Remuneration Committee also reviews remuneration recommendations proposed by the Chief Executive Officer for making recommendations to the Board. The Remuneration Committee evaluates the performance of the Chief Executive Officer against key performance indicators and reports to the Board its recommendations on performance appraisal and remuneration.

PRINCIPLE 3: Promote ethical and responsible decision-making

The Board, in recognition of the importance of ethical and responsible decision-making has adopted a Code of Conduct for all employees and Directors, which outlines the standards of ethical behaviour and is essential to maintain the trust of all stakeholders and the wider community.

The Code requires high standards of personal integrity, objectivity and honesty in all dealings. The Code also requires a respect for the privacy of customers and others and compliance with the law and Energy One policies.

This Code is provided to all directors and employees as part of their induction process. The Code is subject to ongoing review and assessment to ensure it continues to be relevant to contemporary conditions and is available on the Company's website. All directors, executive officers and employees are responsible for taking appropriate action in proven cases of illegal behaviour outside the spirit of this Code in the workplace.

Energy One's Code of Conduct is endorsed by the Board and applies to all Directors and employees.

The Board and management of Energy One Limited are committed to the Code of Conduct which is based on the Company's core values of acting with integrity, fairness and honesty along with legal and fiduciary obligations to all legitimate stakeholders including shareholders, customers, employees and the broader community.

Diversity Policy

The Company recognises that diversity is a critical aspect of effective management of its people and their contributions to the success of the Company. This diversity is reflected in the differences in gender, race, age, culture, education, family or carer status, religion and disability which is found across the Company.

With regard to the relatively small number of staff at present, the Board does not consider it necessary to establish a policy concerning diversity at this time.

The need for a diversity policy will be reviewed at a time considered appropriate by the Board.

Gifts and benefits

Employees shall not seek or accept gifts, payments, fees, services, privileges, vacations or pleasure trips without a business purpose, loans (other than conventional loans from lending institutions), or other favours from any person or business organisations that does or seeks to do business with, or is a competitor of Energy One.

No employee shall accept anything of value in exchange for referral of third parties to any such person or business organisation. This does not prohibit an employee from accepting a gift of nominal value made in the course of a normal business relationship.

Confidentiality

Information concerning Energy One and its clients is confidential and must not be released without authorisation from a manager. Information gained through dealings with clients should only be used in the course of employment.

Privacy Act obligations

Employees must comply with the Privacy Act. Employees have an obligation and personal responsibility to respect clients', and all individuals' rights to privacy. This means doing everything the security of any personal information handled in the course of employment.

Protecting confidential information

Commercially sensitive documents, records and files should be stored securely and not left where visible.

Confidential information should not be left on computer screens and computer access passwords must not be shared with others.

E-mail and internet

Computer systems should be secured and used for business purposes only. This ensures the long-term integrity of the systems and confidentiality of business, customer and employee data. Employees must not misuse email or Internet systems and should refer to Energy One's Email and Internet Usage policy, which they are required to sign at the time of employment.

Confidentiality after ceasing employment

When signed, Energy One's Code of Conduct legally obliges staff to keep any information acquired during employment confidential, even after employment ceases. Staff cannot pass on information about Energy One's business, customers, suppliers or staff.

Drugs and alcohol

The use of drugs and alcohol may impair an employee's capacity to perform their job safely, efficiently and with respect for work colleagues and clients. No employees are to work whilst under the influence of alcohol or drugs. Employees found to be under the influence of drugs or alcohol, or in possession of illegal drugs whilst at work will be subject to disciplinary action and in some cases, their employment may be terminated. Employees who from time to time require prescription medication that affects or has the potential to affect their ability to carry out their duties in a safe manner are required to report the taking of any such medication to their manager.

Share trading policy

The Company's share trading policy is designed to minimise the risk that Energy One, its directors and its employees will breach the insider trading provisions of the Corporations Act or compromise confidence in Energy One's practices in relation to securities trading.

PRINCIPLE 3: Promote ethical and responsible decision-making (continued)

The policy prohibits directors and employees from trading in Energy One securities when they are in possession of information not generally available to the investment community, and otherwise confining the opportunity for directors and employees to trade in Energy One securities to certain limited periods.

This policy applies to the following ("Senior Executives"):

- Directors;
- Chief Executive Officer;
- Chief Financial Officer;
- Financial Controller;
- Chief Operating Officer;
- Company Secretary;
- National Sales Manager;
- Operations Managers;
- all financial management employees. and
- any other employee who has access to Non-Public Price Sensitive Information (see below).

This policy also applies to related parties of Senior Executives such as spouses (including de-factos), children under 18, family companies of which the Senior Executive is a director and family trusts in which the Senior Executive has a beneficial interest or makes the investment decisions.

Background

Generally, the insider trading provisions of the Corporations Act prohibit a person who possesses Non-Public Price Sensitive Information from applying for, acquiring, or disposing of, securities, or procuring another person to do the same ("Deal" or "Dealing"). "Non-Public Price Sensitive Information" means information that is not generally available, but if it were generally available, a reasonable person would expect it to have a material effect on the price or value of a company's securities. A person who breaches the insider trading provisions may face severe penalties, including imprisonment.

Share trading policy

Employees must not, at any time, Deal in Energy One securities if in possession of Non-Public Price Sensitive Information. Employees who are personally satisfied that they are not in possession of Non-Public Price Sensitive Information may Deal in Energy One securities during designated "Senior Executive Trading Periods".

Unless notified otherwise, the "Senior Executive Trading Periods" are:

- 30 days following the day after the release of Energy One's interim results;
- 30 days following the day after the release of Energy One's final results; and
- 30 days following the day after Energy One's Annual General Meeting.

Outside of the Trading Periods, Senior Executives may only Deal in Energy One securities with the prior consent of the Chief Executive Officer and in the case of the Chief Executive Officer consent from the Chairman.

Directors and Senior Executives will not be permitted to undertake any short-term trading in the Company's securities.

Any Director must obtain prior approval from the Chairman before buying or selling securities in the Company in addition to the requirements of the ASX or Corporations Act. Under the ASX Listing Rules, Directors must notify the ASX within 5 days of any Dealing in the Company's securities. Further, under the Corporations Act, directors themselves must notify the ASX within 14 days. Notice given by Energy One satisfies the director's personal obligations under the Corporations Act.

Following a Deal by a Senior Executive, details of that Deal must be provided to the Company Secretary within 5 days and also in accordance with the Corporations Act.

It is inappropriate for Senior Executives to procure others to trade in Energy One securities when they are precluded from trading.

Exceptions to the policy

The Chairman has the discretion to grant an exemption to Dealing by a related party where it can be demonstrated the related party Deals independently in shares or securities on a bona fide basis.

In exceptional cases of financial hardship, the Chairman has discretion to approve Dealing in Energy One securities that would otherwise be prohibited by the share trading policy. However, the Chairman has no discretion to approve Dealing by Senior Executives who possess Non-Public Price Sensitive Information.

PRINCIPLE 4: Safeguard integrity in financial reporting

The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) are to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reporting, internal control structure, risk management systems, and the internal and external audit functions.

PRINCIPLE 4: Safeguard integrity in financial reporting (continued)

The main responsibilities of the Audit Committee are to:

- Recommend the external auditor's appointment/removal, review the auditor's performance and audit scope.
- Consider the independence and competence of the external auditor on an ongoing basis.
- Help the Board oversee the risk management framework.
- Review the Company's published financial results.
- Report to the Board on matters relevant to the committee's role and responsibilities.
- Review and monitor Energy One's compliance with law and ASX Listing Rules.
- Review and monitor related party transactions and assess their propriety.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The Chairman of the Audit Committee should be a Non-Executive Director who is not chairperson of the Board. The committee itself should be made up of non-executive directors only, with the majority to be independent. Due to the size of the Company's Board this will not always be possible.

The policy of Energy One and the Audit Committee is to appoint an external auditor, which clearly demonstrates quality and independence. The performance of the external auditor is reviewed and assessed annually.

Should a change in auditor be considered necessary a formal tendering process will be undertaken. The Audit Committee will identify the attributes required of an auditor and will ensure the selection process is sufficiently robust so as to ensure selection of an appropriate auditor.

PRINCIPLE 5: Make timely and balanced disclosure

The continuous disclosure requirements of the ASX are contained in Chapter 3 of the ASX Listing Rules and have been adopted by the Company.

The Company will establish policies and procedures on information disclosure to ensure all investors have equal and timely access to material information concerning the Company and to enable a normal investor to make an informed assessment of the Company's activities and trading results.

The Company Secretary is responsible for:

- Making sure that the Company complies with the continuous disclosure requirements under the ASX Listing Rules;
- Overseeing and coordinating disclosure of information to the ASX, analysts, brokers, shareholders, the media and the public; and
- Educating directors and staff on the Company's disclosure policies and procedures and raising awareness of the principles underlying continuous disclosure.

Market sensitive and material information will be publicly released through the ASX before disclosing it to analysts or others outside the Company.

Where uncertainty arises as to the meeting of continuous disclosure obligations, the Company Secretary may seek external legal advice. The Board monitors the implementation and effectiveness of the continuous disclosure procedures and promotes the understanding of compliance.

PRINCIPLE 6: Respect the rights of shareholders

The Board aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

The Board encourages the full participation of shareholders at its annual general meetings and welcomes questions from shareholders on relevant issues.

Energy One will request the External Auditor to attend the annual general meeting to be able to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditors report.

As per the continuous disclosure requirements in the ASX listing rules, Energy One Limited will immediately disclose any information that a reasonable person would expect to have a material effect on the value of our securities.

Any information communicated to the ASX will also be published on the Company's website.

PRINCIPLE 7: Recognise and manage risk

Risk Committee

The Risk Committee determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The main responsibilities of the Risk Committee are:

- to establish a sound system of risk oversight and management and internal control under which Energy One can identify, assess, monitor and manage risk;
- to inform the Board of material changes to the risk profile of Energy One and maintain appropriate risk management practices and systems throughout the operations of Energy One; These functions include but are not limited to:
  - Ensuring Energy One's senior executives adhere to any monitoring program set down by the Risk Committee.
  - Identifying any un-hedged exposure and the rationale for such a position.

PRINCIPLE 7: Recognise and manage risk (continued)

- Ensuring appropriate risk limits are set and adhered to.
- Ensuring the conditions of the Company's Australian Financial Services license are being adhered to.

The Risk Committee members are all required to possess sufficient technical expertise and industry knowledge to fulfill the functions of the Committee.

Management report monthly to the Board on the effectiveness of the Company's material business risks.

PRINCIPLE 8: Remunerate fairly and responsibly

Energy One's remuneration policy ensures that remuneration packages properly reflect the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Remuneration Committee reviews and makes recommendations to the Board on director and senior executive remuneration and overall staff remuneration and incentive policies.

When making recommendations, the Committee aims to design policies that attract and retain the executives needed to run the Company successfully and to motivate executives to pursue appropriate growth strategies while aligning shareholder return with remuneration.

Remuneration for senior executives typically comprises a package of fixed and performance based components. The Committee may, from time to time, seek advice from special remuneration consulting groups so as to ensure that the Board remains informed of market trends and practices.

Executive remuneration and the terms of employment are reviewed annually having regard to personal and corporate performance, contribution to long-term growth, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits.

For further information on senior executive remuneration see pages 17 to 20.

Directors' Report

Your directors present their report on the Company and its controlled entity (the Group) for the financial year ended 30 June 2014.

Directors

The names of directors in office at any time during or since the end of the year are:

Shaun Ankers

Andrew Bonwick

Vaughan Busby

Ian Ferrier

Ottmar Weiss

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Reena Minhas

Principal Activities

The principal activity of the Group during the financial year was:

- Supply and development of software and services to energy companies and utilities.

There were no significant changes in the nature of the Company during the financial year.

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 of $1,003,663 from continuing operations, 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.

Directors' Report (cont.)

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 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 subsequent to the year ended 30 June 2014.

On 28 July 2014 the Company executed an agreement with a major Australian integrated, generation-and-retail energy company, to supply, implement and provide multi-year support of Energy One's Energy One Trading platform, for the management their wholesale energy contracts.

Future Developments, Prospects and Business Strategies

The Strategy for growth involves organic growth with the existing product range, the development of new products for new market segments and of strategic growth via acquisition, as value-based opportunities arise.

The Group enjoys the reputation of being one of few local suppliers of specialist software and expertise to Australian energy market customers and our commitment to local customers is demonstrated in our success in competing with large international suppliers. With best-of-breed products in energy trading, spot bidding, risk management and logistics and a team of market experts the Company is a premier supplier of software and services to large customers.

We continue to develop our pipeline of opportunities with integrated energy generators, wholesalers and retailers.

Specifically, our business strategies addressing the local market include the following key elements:

- Development of new and innovative products that differentiate us from our competitors in the technically complex marketplace of energy trading.
- Supply of products designed specifically for Energy market conditions. These include spot bidding (Energy Offer) for Australian energy market customers and our business automation platform (called EnergyFlow).
- Provision of expert local support for our customers. We maintain a team of industry professionals to satisfy customer needs for local, qualified support.
- Innovative pricing and delivery strategies to enable customers to acquire technology within the constraints of their business conditions. This includes offering licencing models based on operational expenditure as well as on capital expenditure-type procurement. It also includes offerings for Software as a Service (SaaS) for all our products. This represents a differentiator of our products against those of our major competitors.

Our expertise and flexibility allows the Company to develop products for associated markets and geographies in which we see growth potential. For example, the Philippines, New Zealand and Singapore are all markets for which the product suite is applicable and the Company engages in marketing directed at key territories.

The Group also continually explores growth through targeted acquisition or technology sharing arrangements, especially where those opportunities provide strategic synergies for the business within our chosen markets and in keeping with our focus and vision. This is an ongoing strategy for the Company and opportunities are assessed on a value basis as they arise.

Environmental Issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or a State or Territory.

Information on Directors

Mr Shaun Ankers

Managing Director / Non-independent Director

Qualifications: BSc (Hons)

Experience

Mr Ankers has more than 20 years business experience, focused on the growth and development of technology businesses, including sales and marketing experience with Utilities and major clients.

Interest in Shares and Options

87,000 Ordinary Shares in Energy One Limited and options to acquire a further 500,000 Ordinary Shares

Directorships held in other listed entities in the last 3 years

N/A

Mr Andrew Bonwick

Independent Director

Qualifications: B App.Sc.; M Comm

Experience

Mr Bonwick was the Managing Director of ASX listed Australian Energy Limited (now called Power Direct) and prior to that was the Marketing Director of Yallourn Energy for 6 years. His career has included roles in senior management, institutional equity research and management consulting.

Interest in Shares and Options

359,500 Ordinary Shares in Energy One Limited

Directorships held in other listed entities in the last 3 years

Mr Bonwick has previously been a director of Australian Energy Limited.

Mr Vaughan Busby

Non-independent Director

Qualifications: B.Pharm; MBA

Experience

Mr Busby was previously the CEO and Managing Director of Energy One. Previously a Director of Ferrier Hodgson, he has considerable experience in turnaround and restructuring of businesses.

Interest in Shares and Options

3,623,536 Ordinary Shares in Energy One Limited

Directorships held in other listed entities in the last 3 year

N/A

Mr Ian Ferrier

Non-independent Director

Qualifications: CA

Experience

Mr Ferrier has over 40 years' experience in corporate recovery and turnaround practice. Mr Ferrier is also a director of a number of private and public companies. He is also a fellow of The Institute of Chartered Accountants in Australia.

Interest in Shares and Options

6,492,162 Ordinary Shares in Energy One Limited.

Directorships held in other listed entities in the last 3 years

Mr Ferrier is currently Chairman of Goodman Group Limited, Australian Vintage Limited and a director of Reckon Limited. Mr Ferrier has also previously been Chairman of InvoCare Limited.

Mr Ottmar Weiss

Chairman - Independent Director

Qualifications: BA (accounting); CPA; CTA

Experience

Mr Weiss has over 25 years' experience in banking, finance and risk management, as well as being a qualified accountant and registered Tax Agent. Previously, Mr Weiss worked at Macquarie Bank where he held the position of Global Head of the Equity Markets Group and was also a member of Macquarie Bank's Executive Committee.

Interest in Shares and Options

873,377 Ordinary Shares in Energy One Limited

Directorships held in other listed entities in the last 3 years

N/A

Ms Reena Minhas

Company Secretary

Qualifications: BSc (Accounting & Management); ACA

Directors' Report (cont.)

Meetings of Directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2014, and the numbers of meetings attended by each director were:

	Committee Meetings							
	Directors' Meetings		Audit Committee		Remuneration Committee		Risk Management Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Shaun Ankers	11	11	2	2	1	1	2	2
Andrew Bonwick	11	11	2	2	1	1	2	2
Vaughan Busby	11	11	2	2	1	1	2	2
Ian Ferrier	11	11	N/A	N/A	1	1	N/A	N/A
Ottmar Weiss	11	10	2	2	1	1	2	2

Remuneration Report

This report details the nature and amount of remuneration for each director of Energy One Limited, and for the executives receiving the highest remuneration. The information provided in this report has been audited as required by section 308 (3C) of the Corporations Act 2001.

Remuneration policy

Energy One's remuneration policy ensures that remuneration packages properly reflect the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

The Remuneration Committee reviews and makes recommendations to the Board on director and senior executive remuneration and overall staff remuneration and incentive policies.

When making recommendations, the Committee aims to design policies that attract and retain the executives needed to run the Company successfully and to motivate executives to pursue appropriate growth strategies while aligning shareholder return with remuneration.

Remuneration for senior executives typically comprises a package of fixed and performance based components. The Committee may, from time to time, seek advice from special remuneration consulting groups so as to ensure that the Board remains informed of market trends and practices, and did so in this financial year.

Executive remuneration and the terms of employment are reviewed annually having regard to personal and corporate performance, contribution to long-term growth, relevant comparative information and independent expert advice. As well as a base salary, remuneration packages include superannuation, performance-related bonuses and fringe benefits.

Performance-related remuneration for key management during the 2014 financial year was tied to Company profitability.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which was 9.25% in the year ended 30 June 2014, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is measured at the cost to the Company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Black-Scholes methodology.

Directors' Report (cont.)

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company and are able to participate in the employee option plan. Directors meet individually on a yearly basis with the chairman to discuss their performance.

Key Management Personnel Remuneration Policy

The remuneration structure for key management personnel is based on a number of factors, including the particular experience of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

Employment contracts stipulate various notice periods. The Company may terminate an employment contract without cause by providing written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment as per relevant legislation. The employment conditions of the Managing Director, Mr Ankers and other key management personnel are formalised in contracts of employment. All key management personnel are permanent employees of Energy One Limited. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the Company can terminate employment at any time.

Non- executive directors are entitled to be paid fees and those fees will be as agreed or adjusted by them, from time to time.

The remuneration committee determines the proportion of fixed and variable compensation for each key management personnel. Other than options and bonuses, compensation is not related to performance. Refer to the table on the next page.

Directors' Report (cont.)

Directors and Management Remuneration – 2014

	Short-term Benefits		Post-Employment	Equity	Long Term Benefits	Total
Key Management Person	Cash, salary, commissions	Cash bonus	Superannuation	Options	Long service leave	
	$	$	$	$	$	**$**
Mr Shaun Ankers	253,667	37,512	18,833	3	7,474	**317,489**
Mr Andrew Bonwick	11,000	-	-	-	-	**11,000**
Mr Vaughan Busby	11,000	-	-	-	-	**11,000**
Mr Ian Ferrier	10,069	-	931	-	-	**11,000**
Mr Ottmar Weiss	15,103	-	1,397	-	-	**16,500**
Ms Reena Minhas	144,281	15,000	13,346	-	-	**172,627**
Mr Vincent ten Krooden (a)	113,135	-	10,465	-	-	**123,600**
	558,255	**52,512**	**44,972**	**3**	**7,474**	**663,216**

(a) Vincent ten Krooden left the company on 11th July 2014

(b) For 2014 remuneration linked to the Company's performance equated to 10% of total short-term benefits.

Directors and Management Remuneration – 2013

	Short-term Benefits		Post-Employment	Equity	Long Term Benefits	Total
Key Management Person	Cash, salary, commissions	Non-Cash Benefits	Superannuation	Options	Long service leave	
	$	$	$	$	$	**$**
Mr Shaun Ankers	243,530	-	16,470	17	2,263	**262,280**
Mr Andrew Bonwick	10,752	-	248	-	-	**11,000**
Mr Vaughan Busby	11,000	-	-	-	-	**11,000**
Mr Ian Ferrier	10,092	-	908	-	-	**11,000**
Mr Ottmar Weiss	15,138	-	1,362	-	-	**16,500**
Ms Reena Minhas	145,400	-	13,086	-	1,589	**160,075**
Mr Vincent ten Krooden	115,092	-	10,358	-	1,359	**126,809**
	551,004	**-**	**42,432**	**17**	**5,211**	**598,664**

Directors' Report (cont.)

Options issued as part of remuneration for the year ended 30 June 2014

No director's options were granted in the year ended 30 June 2014.

Options issued as part of remuneration for the year ended 30 June 2013

No director's options were granted in the year ended 30 June 2013.

Options

At the date of this report, the unissued ordinary shares of Energy One Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
15 December 2010	18 November 2015	$0.37	500,000
			500,000

The above options are provided to Shaun Ankers as a part of his remuneration. The options above were issued in three equal tranches. 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. The whole balance remains unvested at 30 June 2014. No other options have been granted to directors or employees in the year.

(a) No option holder has any rights under the options to participate in any other share issue of the company

(b) There have been no options issued since the reporting date

Equity Instruments held by key management personnel

The table in Note 5 of the consolidated financial statements shows the number of options and shares in the company that were held by key management personnel, including their close family members and entities related to them. There were no shares granted during the reporting period as compensation.

Other transactions with key management personnel

Mr Ian Ferrier is a director of BRI Ferrier. The Company has provided software and hardware components to BRI Ferrier based on normal commercial terms and conditions. Total revenue recorded in 2014 is $4,846.

Indemnifying Officers or Auditor

The Company has paid premiums to insure all of the directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The amount of the premium which covers a one year period was $7,846 (excl GST). Indemnity has not been provided for auditors.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Directors' Report (cont.)

Non-Audit Services

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor, Crowe Horwath Sydney's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2014:

	$
Taxation services	18,320

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found after the directors' report.

This report of the Directors, incorporating the remuneration report is signed in accordance with a resolution of the Board of Directors.

Ottmar Weiss	Shaun Ankers
Chairman	Managing Director

05 August 2014

Crowe Horwath.

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The Board of Directors
Energy One Limited
Level 14, 71 Macquarie Street
SYDNEY NSW 2000

5 August 2014

Dear Board Members

Energy One Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Energy One Limited.

As lead audit partner for the audit of the financial report of Energy One Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

JHaydon

JOHN HAYDON
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Group	
		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)
Profit / (Loss) before income tax		**337,605**	**(210,739)**
Income tax expense	4	-	-
Profit / (Loss) after income tax from continuing operations attributable to owners of the parent entity		**337,605**	**(210,739)**
Other comprehensive income		-	-
Total comprehensive profit / (loss)		-	-
Total comprehensive profit (loss) attributable to members of the parent entity		**337,605**	**(210,739)**
Overall Operations – continuing operations			
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.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Consolidated Group 2014 $	2013 $
ASSETS			
CURRENT ASSETS			
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
TOTAL CURRENT ASSETS		**3,624,161**	**2,585,060**
NON-CURRENT ASSETS			
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
TOTAL NON-CURRENT ASSETS		**2,229,663**	**2,079,192**
TOTAL ASSETS		**5,853,824**	**4,664,252**
CURRENT LIABILITIES			
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
TOTAL CURRENT LIABILITIES		**1,632,904**	**906,868**
NON-CURRENT LIABILITIES			
Deferred revenue	15	388,056	289,978
Long-term provisions	14	61,481	33,631
TOTAL NON-CURRENT LIABILITIES		**449,537**	**323,609**
TOTAL LIABILITIES		**2,082,441**	**1,230,477**
NET ASSETS		**3,771,383**	**3,433,775**
EQUITY			
Issued capital	16	8,246,064	8,246,064
Reserves	17	77,581	77,578
Accumulated losses		(4,552,262)	(4,889,867)
TOTAL EQUITY		**3,771,383**	**3,433,775**

The accompanying notes form part of these financial statements.

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**
	$	$	$	**$**
Balance at 30 June 2012 (restated)	8,246,064	77,561	(4,679,128)	**3,644,497**
Total comprehensive (loss) for the year	-	-	(210,739)	**(210,739)**
Transactions with owners in their capacity as owners:				
Employee share options – value of employee services	-	17	-	**17**
Balance at 30 June 2013	8,246,064	77,578	(4,889,867)	**3,433,775**
Total comprehensive profit for the year	-	-	337,605	**337,605**
Transactions with owners in their capacity as owners:				
Employee share options – value of employee services	-	3	-	**3**
Balance at 30 June 2014	8,246,064	77,581	(4,552,262)	**3,771,383**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	Consolidated Group	
		2014	**2013**
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
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
CASH FLOWS FROM INVESTING ACTIVITIES			
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.

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.

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).

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%

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.

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.

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.

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.

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.

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.

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 $
EXPENSES			
Direct project related costs (excl. wages)		56,397	30,196
Depreciation and amortisation			
Plant & equipment	11	54,336	71,759
Software development costs	12	488,071	364,924
Total		542,407	436,683
Rental expense on operating leases			
Minimum lease payments		160,484	152,727
Employee benefit expenses			
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)

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	-	-
		-	-
(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
	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)
	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.

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 11th 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

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.

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.

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
	1,397,646	1,721,333

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		1,501,404	1,825,092

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

NOTE 9: TRADE AND OTHER RECEIVABLES

		2014 $	2013 $
Current			
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
		2,190,024	835,139

(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.

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	
2014							
Trade receivables and accrued income	1,477,008	-	-	-	-	1,650	1,475,358
Other receivables	713,016	-	-	-	-	-	713,016
Total	2,190,024	-	-	-	-	1,650	2,188,374
2013							
Trade receivables and accrued income	106,401	-	-	-	-	-	106,401
Other receivables	728,738	-	-	-	-	-	728,738
Total	835,139	-	-	-	-	-	835,139

NOTE 10: OTHER ASSETS

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

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)
	96,345	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 $
Balance as at 30 June 2012	**217,621**
Additions	1,098
Depreciation expense	(71,759)
Balance as at 30 June 2013	**146,960**
Additions	3,722
Depreciation expense	(54,337)
Balance as at 30 June 2014	**96,345**

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.

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

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
Total financial liabilities at amortised cost	479,489	128,648

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

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

NOTE 14: PROVISIONS

	Notes	2014 $	2013 $
Current			
Employee benefits (Annual leave provisions)	14(a)	103,474	115,165
Non-Current			
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 $
Current		
Support & maintenance fee received in advance	873,374	548,304
Unearned R&D Tax Incentive	176,567	114,751
	1,049,941	663,055
Non-Current		
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

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
	3	17

The movements in reserves comprises:

	2014 $	**2013 $**
Opening Balance	77,578	77,561
Unexercised Options – value of employee service	3	17
	77,581	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
	259,271	452,191

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
	Net cash provided by operating activities	369,191	558,764

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:

		Consolidated Group	
	Note	**2014**	**2013**
Financial assets		**$**	**$**
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
Financial Liabilities			
Trade and other payables - due within 12 months	13	(479,489)	(128,648)
Net assets		3,211,939	2,531,582

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
	%	%	$	$	$	$	$	$	$	$
Financial Assets										
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
Total Financial Assets			1,347,557	1,524,362	153,847	300,729	2,190,024	835,139	3,691,428	2,660,230
Financial Liabilities										
Payables			-	-	-	-	479,489	128,648	479,489	128,648
Total Financial Liabilities			-	-	-	-	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.

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.

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.

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.

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.

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)

		Equity Holding	
		2014	2013
Name of entity	**Country of incorporation**	**%**	**%**
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
Balance Sheet		
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
Shareholder equity		
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

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.

Energy One Limited

Directors Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 23 to 55 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Consolidated entity's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date; and

(b) the Chief Executive Officer and the Chief Finance Officer have declared that:

  (i) the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the Corporations Act 2001;

  (ii) the financial statements and notes for the financial year comply with Accounting Standards: and

  (iii) the financial statements and notes for the financial year give a true and fair view; and

(c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Ottmar Weiss	Shaun Ankers
Chairman	Managing Director

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Independent Auditor's Report to the Members of Energy One Limited

Report on the Financial Report

We have audited the accompanying financial report of Energy One Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entity it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Crowe Horwath™

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

a. the financial report of Energy One Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Energy One Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Crowe Horwath Sydney

CROWE HORWATH SYDNEY

JHaydon

JOHN HAYDON
Partner

Dated 5 August 2014

Energy One Limited

ABN 37 076 583 018

ADDITIONAL STOCK INFORMATION AS AT 30 JUNE 2014

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1. Shareholding

a. Distribution of Shareholders

	Number	
Category (size of holding)	**Ordinary**	**Redeemable**
1 – 1,000	22	15,330
1,001 – 5,000	80	251,832
5,001 – 10,000	28	331,091
10,001 – 100,000	66	2,571,854
100,001 – and over	20	14,623,122
	216	**17,793,229**

b. The number of shareholdings held in less than marketable parcels is 31 representing 26,561 ordinary shares.

c. The names of the substantial shareholders listed in the holding Company's register as at 30 June 2014 are:

	Number	
Shareholder	**Ordinary**	**Percentage**
Mr Ian Ferrier	6,492,162	36.49%
Mr Vaughan Busby	3,623,536	20.36%

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

– Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Energy One Limited
ABN 37 076 583 018

ADDITIONAL STOCK INFORMATION AS AT 30 JUNE 2014

e. **20 Largest Shareholders – Ordinary Shares**

		Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	POLDING PTY LTD	5,953,628	33.460
2.	MR VAUGHAN BUSBY	2,889,527	16.239
3.	REARDEN GROUP PTY LTD	647,398	3.638
4.	MRS EMMA JANE GRACEY	600,000	3.372
5.	MOAT INVESTMENTS PTY LTD	591,786	3.326
6.	ABBYSAH PTY LIMITED	500,000	2.810
7.	MR IAN DOUGLAS FERRIER	404,834	2.275
8.	MR OTTMAR WEISS	373,377	2.098
9.	MAY JAMES CONSULTING PTY LTD	359,500	2.020
10.	MR RICHARD BRYS	293,080	1.647
11.	MS LEANNE MULCAHY	275,712	1.550
12.	MAST FINANCIAL PTY LTD	263,303	1.480
13.	JAALEW INVESTMENTS PTY LTD	251,332	1.413
14.	AUST EXECUTOR TRUSTEES LTD	250,000	1.405
15.	MR BENJAMIN YOUNGMAN GRAHAM	200,000	1.124
16.	ODALISQUE PTY LTD	200,000	1.124
17	PEGARI PTY LIMITED	175,945	0.989
18.	FATTY HOLDINGS PTY LTD	150,000	0.843
19.	SONPINE PTY LTD	133,700	0.751
20.	MR SIMON ANDREW BOND	110,000	0.618
		14,623,122	**82.182**

2. **Company Secretary**

   Reena Minhas

3. **Address of Registered Office**

   Level 14, 71 Macquarie St

   Sydney NSW 2000

Energy One Limited

ABN 37 076 583 018

ADDITIONAL STOCK INFORMATION AS AT 30 JUNE 2014

4. Share Registry

Boardroom Pty Ltd
Level 7
207 Kent Street
Sydney NSW 2000
(02) 8252 9898

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6. Unquoted Securities

Options for Unissued Shares

A total of 500,000 options are on issue. The 500,000 options are on issue to 1 director from the Energy One Tax Paid Options Plans.

2014
ANNUAL REPORT

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ENERGYONE
INTEGRATED BUSINESS SOLUTIONS