



ENERGY ONE LIMITED

ABN 37 076 583 018

APPENDIX 4E for the year ended 30 June 2015

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Reporting Period

Previous Reporting Period

for the year ended 30 June 2015

for the year ended 30 June 2014

Results for announcement to the market	2015	2014	Change
	\$	\$	%
Revenue	5,549,591	3,454,107	61%
Expenses	4,712,717	3,116,502	51%
Profit before income tax	836,874	337,605	148%
Profit from ordinary activities after tax attributable to members	687,361	337,605	104%
Profit attributable to members	687,361	337,605	104%
Net tangible asset backing per ordinary share shown in cents	13.15	9.79	34%

Dividends

No dividends were paid or made payable during the year ended 30 June 2015.

Commentary

Please refer to the attached CEO's commentary and financial report for the year ended 30 June 2015.

Other information
Control gained over entities having a material effect

N/A

Loss of control over entities having a material effect

N/A

Dividend or distribution reinvestment plans

N/A

Details of associates and joint venture entities

Please refer to the 30 June 2015 Financial Statements for details.

Audit Status

This report is based on accounts that have been audited.

Attachments

Additional disclosure requirements can be found in the notes to the attached 30 June 2015 Financial Statements.

Signed By :


Shaun Ankers - Chief Executive Officer

13 August 2015

Chief Executive Officer's Report

It is with pleasure that I can report that Energy One has achieved another profitable result with net profit after tax (NPAT) growing 104% over the prior year.

With a second year of strong profit, a range of high quality proven software and a portfolio of blue-chip customers the company is now looking forward to ongoing profitability and longer-term growth.

This year's financial outcome is the result of winning and executing several major projects over the past 18 months. These projects are expected to reach completion in the next few months, their successful implementation being on time and on budget. This is expected to generate additional project work, opportunities for other products in the portfolio within these customers and continued referrals.

In addition to the project work, Energy One continues to focus on generating recurring revenues through licensing, support and services offerings. Recurring revenues were \$2.23M, up 11% on the prior year.

As the premier supplier of Energy Trading and Risk Management (ETRM) systems in Australia we are also confident that our ongoing sales and marketing effort will result in new sales in the year ahead. That said, our ability to adjust our cost base in response to any fluctuation in project revenues will ensure we continue to operate profitably.

The Year in Review

During the year, AGL went live with our EnergyOffer spot trading platform. This is a significant achievement as AGL is the largest generator of electricity in the National Electricity Market (NEM) with an extensive fleet of renewable and thermal power generation assets. The use of the EnergyOffer platform allows AGL to rapidly and reliably trade and offer their electricity into the NEM in a 24/7, real-time operational environment.

Alinta Energy, another major national energy generator and retailer, has been in the process of rolling-out our Wholesale Suite across their operations for gas, electricity and environmental products in both the west and east coast markets. A large portion of the suite is already in production with the project scheduled to be completed by Dec 2016.

The Company is also installing Energy One's trading contract management system for another major Australian retailer. This project is already nearing completion after a rapid and efficient installation process. Energy One's software is now responsible for dispatching some 33% of generation capacity electricity in the NEM and for managing more than 20% of the electricity contract volume used in the wholesale market.

Recently, we have also begun marketing a simplified product range for the "cloud" aimed at customers who do not need major enterprise installations, or those wanting to use an outsourced, secure, cloud-based offering under a Software-as-a-Service model. EnergyCloud (www.energycloud.com.au) is an entry-level offering designed to enable customers with less complex operational needs to gain access to reliable technology for their trading purposes. The Company is marketing this service to windfarms, solar installations, start-up retailers as well as large industrial customers. These opportunities will continue to be developed in the year ahead.

Financially, the Company delivered a consistent outcome across the year. Net profit before tax for the second half was \$446k (H1: \$391k), giving an overall full year NPBT result of \$837k. This compares to a NPBT of \$338k for FY14. Revenues for FY15 were \$5.55 million, an increase of 61% on the prior year. We note that employment costs have increased from \$1.6M to \$2.6M associated with the corresponding and substantial increase in project and implementation work during the year. We are also pleased to note that NPAT margin has risen from 9.8% to 12.4% demonstrating the Company's ability to translate revenue gains into increased margin. The Company retains a focus on cost control to ensure project revenues are matched to costs.

Notably, the Company closed the year with a cash balance of \$2.1M, up \$585k for the 12 months.

Business Outlook

The Company will continue to market its product range to new and existing customers with the expectation additional projects will be signed in the coming year. Whilst we look forward to growing our domestic customer base we are also investigating a range of new opportunities and strategic partnerships.

EnergyFlow – international horizons

During the year the company further developed EnergyFlow, a product which we believe will have international appeal.

EnergyFlow is an innovative platform that allows energy businesses to automate their complex, labour-intensive business operations tasks to improve productivity and reduce operational risk.

The software also has potential applications in other industries such as banking, insurance and superannuation.

While the product is currently only being used in Australia, interest continues to grow, and we believe that EnergyFlow will have broad appeal in overseas markets. Furthermore, since the software contains elements that are both novel and unique, an international patent application has been filed to protect those innovations and provide a basis upon which to build marketing and distribution capability. In the year ahead, we plan to make detailed market investigations to quantify and seek to establish the software's potential in US and European markets.

Continue to review acquisition opportunities

Whilst the Company continues to pursue organic growth, the Board believes a targeted acquisition could improve long-term shareholder value so we continue to seek appropriate opportunities. The Company has been developing opportunities through its own efforts and from specialist advisors however we will only pursue an acquisition if it makes strategic sense. Over the last year several acquisition opportunities have been reviewed but were not progressed. We will continue a disciplined approach when reviewing acquisition opportunities in the year ahead.

This could include opportunities with either technology or service providers that complement our current capabilities and fulfil the long-term goal of offering a broad range of services for data-intensive industries such as those found in energy, insurance and mining.

Looking forward to the year ahead

Energy One is Australia's leading supplier of energy trading software. With a blue-chip customer base, established brand and sound financials, the Company is poised to build upon its second year of profitable growth through organic growth in other markets and potentially via complementary acquisitions. In addition we also look forward to introducing the EnergyFlow software to new markets outside of energy.

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.



Shaun Ankers



Consolidated Financial Statements for the year ended 30 June 2015

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Consolidated Statement of Profit or Loss and Comprehensive Income

for the year ended 30 June, 2015

		Consolidated Group	
		2015	2014
	Note	\$	\$
Revenue			
Revenue from continuing operations	2	4,768,023	2,847,659
Other revenue	2	781,568	606,448
		<u>5,549,591</u>	<u>3,454,107</u>
Expenses			
Direct project costs		(33,132)	(56,397)
Employee benefits expense	3	(3,003,445)	(1,713,116)
Depreciation and amortisation expense	3	(585,221)	(542,407)
Rental expenses	3	(169,151)	(160,484)
Consulting expenses		(476,918)	(366,550)
Insurance		(58,168)	(44,325)
Accounting fees	5	(77,669)	(61,520)
Other expenses		(309,013)	(171,703)
		<u>(4,712,717)</u>	<u>(3,116,502)</u>
Profit before income tax		<u>836,874</u>	<u>337,605</u>
Income tax expense	4	(149,513)	0
Profit after income tax from continuing operations attributable to owners of		<u>687,361</u>	<u>337,605</u>
Other comprehensive income		<u>0</u>	<u>0</u>
Total comprehensive profit attributable to members of the parent entity		<u><u>687,361</u></u>	<u><u>337,605</u></u>
Basic earnings per share (cents per share)	7	<u>3.86</u>	<u>1.90</u>
Diluted earnings per share (cents per share)	7	<u>3.77</u>	<u>1.90</u>

The above consolidated statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June, 2015

		Consolidated Group	
		2015	2014
	Note	\$	\$
Current Assets			
Cash and cash equivalents	8	1,982,629	1,397,646
Trade and other receivables	9	2,318,825	2,190,024
Other current assets	10	42,666	36,491
Total Current Assets		4,344,120	3,624,161
Non-Current Assets			
Plant and equipment	11	64,209	96,345
Intangible assets	12	2,327,292	2,029,558
Trade and other receivables	9	92,658	0
Other non current assets	13	103,760	103,760
Deferred tax asset	4	177,371	0
Total non Current Assets		2,765,290	2,229,663
Total Assets		7,109,410	5,853,824
Current Liabilities			
Trade and other payables	14	553,983	479,489
Income tax payable	4	326,884	0
Current deferred revenue	16	882,353	1,049,941
Current provisions	15	181,030	103,474
Total Current Liabilities		1,944,250	1,632,904
Non-Current Liabilities			
Non current deferred revenue	16	440,224	388,056
Non current provisions	15	52,853	61,481
Total Non Current Liabilities		493,077	449,537
Total Liabilities		2,437,327	2,082,441
Net Assets		4,672,083	3,771,383
Equity			
Contributed equity	17	8,262,059	8,246,064
Reserves	18	274,925	77,581
Accumulated losses		(3,864,901)	(4,552,262)
Total Equity		4,672,083	3,771,383

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
for the year ended 30 June, 2015

	Equity	Consolidated Group		Total
	\$	Payments	Losses	\$
	\$	\$	\$	\$
Balance as at 1 July 2013	8,246,064	77,578	(4,889,867)	3,433,775
Total comprehensive (loss) for the year	0	0	337,605	337,605
Transactions with owners in their capacity as owners:				
Employee share options	0	3	0	3
Balance at 30 June 2014	8,246,064	77,581	(4,552,262)	3,771,383
Total comprehensive profit for the year	0	0	687,361	687,361
Transactions with owners in their capacity as owners:				
Employee shares	15,995	0	0	15,995
Employee share rights	0	197,344	0	197,344
Balance at 30 June 2015	8,262,059	274,925	(3,864,901)	4,672,083

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June, 2015

	Note	Consolidated Group	
		2015	2014
		\$	\$
Cash Flows from Operating Activities			
Receipts from customers		4,920,181	2,063,062
Receipts of government grants		709,327	720,247
Payments to suppliers and employees		(4,260,441)	(2,476,021)
Interest received		50,740	61,903
Net cash provided by operating activities	8	1,419,808	369,191
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	11	(10,268)	(3,722)
Purchase of intangible assets	12	(30,986)	(1,653)
Payments for development costs	12	(809,566)	(687,504)
Net cash used in investing activities		(850,819)	(692,879)
Cash Flows from Financing Activities			
Receipts from share issues		15,995	0
Net decrease in cash held		584,983	(323,688)
Cash at beginning of financial year		1,501,404	1,825,092
Cash at end of financial year	8	2,086,387	1,501,404

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June, 2015

Note 1 Summary 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(q).

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 2015 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.

A 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.

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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 1 Summary of Significant Accounting Policies (continued)

(d) Revenue recognition (continued)

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).

(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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 1 Summary of Significant Accounting Policies (continued)

(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 2015, there has been no impairment.

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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 1 Summary of Significant Accounting Policies (continued)

(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.

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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 1 Summary of Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

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 2015 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 plans

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.

The Employee Incentive Plan (EIP) was established on 31 October 2014. The EIP allows the Company to grant shares, options or rights to acquire ordinary shares in Energy One to employees and Directors, subject to satisfying performance and service conditions set down at the time of offer.

The fair value of shares, options and rights granted under all 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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 1 Summary of Significant Accounting Policies (continued)

(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 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) 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 Estimates — Share Based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Key Judgments — Provision for impairment of receivables

The directors have not made a provision for impairment of receivables as at 30 June 2015. Refer to Note (s) and Note 9.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 1 Summary of Significant Accounting Policies (continued)

(r) Comparative figures

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

(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.

(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 27 has been prepared on the same basis as the consolidated financial statements.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 1 Summary of Significant Accounting Policies (continued)

(w) New and amended standards adopted by the Company

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group. The following Accounting Standards and Interpretations are most relevant to the Group :

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

The Group has applied AASB 2012-3 from 1 July 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.

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

The Group has applied AASB 2013-3 from 1 July 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.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The Group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(x) New 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 adopted by the Group for the annual reporting period ended 30 June 2015. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The Group will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the Group.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

(x) New standards and interpretations not yet mandatory or early adopted (continued)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be

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

	Note	Consolidated Group	
		2015	2014
		\$	\$
Note 2 Revenue and Other Income			
<i>Sales Revenue</i>			
Licences and related services		4,768,023	2,847,659
<i>Other Revenue</i>			
Interest revenue		62,958	57,016
Research & development grant	(a)	718,610	549,432
Total Other Income		781,568	606,448
Total Revenue		5,549,591	3,454,107

(a) The Company is expecting a research and development tax incentive of \$836,017 from the Australian Tax Office in FY15 for the R&D cost incurred in the 2015 financial year (2014: \$709,327).

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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

		Consolidated Group	
		2015	2014
	Note	\$	\$
Note 3 Expenses			
The consolidated income statement includes the following specific expenses :			
Depreciation and amortisation			
Depreciation - Plant & equipment	11	42,131	54,336
Amortisation - Intangible assets	12	542,818	488,071
Loss on Disposal - Plant & equipment	11	272	0
		<u>585,221</u>	<u>542,407</u>
Rental expense on operating leases			
Minimum lease payments		169,151	160,484
Employee benefit expenses			
Superannuation expense		210,568	118,143
Employee option / share plan benefits		213,339	0
Other employee benefits	(a)	2,579,538	1,594,974
		<u>3,003,445</u>	<u>1,713,117</u>

(a) From the total employee benefit expense, \$646,418 represent expenditures related to research and development activities (2014: \$546,789) (see Note 1 (t)).

Note 4 Income Tax Expenses

(a) The components of tax expense comprise:

Current tax	326,884	0
Deferred tax	(177,371)	0
Income tax expense	<u>149,513</u>	<u>0</u>

(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 from ordinary activities before income tax at 30% (2014: 30%)	251,062	101,281
Add:		
Tax effect of:		
Non-deductible expenses (including research & development)	287,351	248,417
Less:		
Tax effect of:		
Recoupment of prior year tax losses not previously brought to account	(183,563)	(245,204)
Benefit of temporary differences not brought to account / (unrecognised deferred tax expense)	(205,337)	(104,494)
Income tax attributable to entity	<u>149,513</u>	<u>0</u>

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	231,956	225,763	457,719
Deferred tax liability			
Unearned income	(231,956)	(48,392)	(280,348)
Net	<u>0</u>	<u>177,371</u>	<u>177,371</u>

(d) Tax

The Company has no unrecognised accrued tax losses at 30 June 2015 (2014: \$611,877). If those tax losses could be offset against taxable income they would be valued at \$0 (2014: \$183,563).

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

		Consolidated Group	
		2015	2014
	Note	\$	\$
Note 5 Auditor Remuneration			
The Auditor of Energy One Limited is Crowe Horwath Sydney.			
Remuneration received or due and receivable for audit services by Crowe Horwath Sydney :			
Auditing and reviewing the financial reports		60,319	44,000
Taxation services		17,350	18,320
		77,669	62,320
Note 6 Dividends			
Dividends declared or paid during the year			
Franking account balance		0	0
		0	0
Note 7 Earnings per Share			
Basic EPS		0.039	0.019
Diluted EPS		0.038	0.019
(a) Earnings used in calculating basic and diluted earnings per share		687,361	337,605
(b) Weighted average number of ordinary shares used in calculating basic earnings per share		17,819,650	17,793,229
(c) Weighted average number of options and share rights outstanding (Note i)		394,738	0
(d) Weighted average number of ordinary shares used in calculating diluted earnings per share:		18,214,388	17,793,229
<i>(i) Options & Share Rights</i>			
Options outstanding at 30 June 2015 are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year end 30 June 2015.			
There were 333,334 (2014 :Nil) share rights outstanding at 30 June 2015, contingently issuable as ordinary shares and not included in the calculation of diluted earnings per share as the conditions are not yet satisfied at year end. The share rights that are anti-dilutive could potentially dilute basic earnings per share in the future.			
Details relating to options and share rights are set out in Note 26.			
Note 8 Cash and Cash Equivalents			
Cash at bank and on hand		209,404	153,847
Short term bank deposits		1,773,225	1,243,799
		1,982,629	1,397,646
At the reporting date, the consolidated Group has deposits with banks that are used for bank guarantees of \$103,758 (2014 : \$103,758). The balance is included as other non-current assets.			
The effective interest rate on short-term bank deposits for the year was 3.04% (2014: 3.50%); these deposits have an average maturity of 97 days. The weighted average effective interest on cash and cash equivalents was 2.60% (2014: 2.96%).			
<i>Reconciliation of Cash</i>			
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:			
Cash and cash equivalents		1,982,629	1,397,646
Deposit with bank for bank guarantees:			
Other non-current assets	13	103,758	103,758
Balance per statement of cash flows		2,086,387	1,501,404

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note	Consolidated Group	
	2015	2014
	\$	\$
Note 8 Cash and Cash Equivalents (continued)		
The Group's exposure to interest rate risk is discussed in Note 25.		
<i>Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax</i>		
Profit from ordinary activities after income tax	687,361	337,605
Non-cash flows in profit from ordinary activities :		
Depreciation and amortisation	585,221	542,407
Employee option / share plan expense	197,344	3
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries :		
(Increase)/decrease in trade and other receivables	(221,458)	(1,199,792)
(Increase)/decrease in other assets	(6,175)	(3,101)
(Increase)/decrease in deferred tax assets	(177,371)	0
Increase/(decrease) in trade and other payables	401,378	134,123
Increase/(decrease) in provisions	68,928	232,877
Increase/(decrease) in deferred income	(115,420)	325,069
Net cash provided by operating activities	1,419,808	369,191

Note 9 Trade & Other Receivables

Current

Trade receivables		639,889	706,062
Accrued income	(a)	836,343	770,945
R&D tax incentive	(b)	836,017	709,327
Other receivables	(c)	6,576	3,690
		2,318,825	2,190,024

Non current

Accrued income	(a)	92,658	0
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(a) Accrued Income

Accrued income is based on work completed and not yet invoiced.

(b) R&D Tax Incentive

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.

(c) Other Receivables

Other receivables are mainly represented by accrued interest income.

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 25 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.

Notes to the Financial Statements (continued)
for the year ended 30 June, 2015

	Gross Amount	Within initial trade terms	<30 days	Past due but not impaired			Past due and impaired
				31-60 days	61-90 days	>90 days	
2015							
Trade receivables and accrued income	1,568,891	1,470,342	0	98,549	0	0	0
Other receivables	842,592	842,592	0	0	0	0	0
Total	2,411,483	2,312,934	0	98,549	0	0	0

2014

Trade receivables and accrued income	1,477,008	1,475,358	0	0	0	1,650	0
Other receivables	713,016	713,016	0	0	0	0	0
Total	2,190,024	2,188,374	0	0	0	1,650	0

	Consolidated Group	
	2015	2014
Note	\$	\$
Note 10 Other Current Assets		
Prepayments and deposits	42,666	36,491

Note 11 Plant and Equipment

At cost	329,931	336,164
Accumulated depreciation	(265,722)	(239,819)
	64,209	96,345

Movements in Carrying Amounts

Opening balance	96,345	146,960
Additions	10,268	3,722
Disposals	(273)	0
Depreciation expense	(42,131)	(54,337)
Closing balance	64,209	96,345

Note 12 Intangible Assets

Software development - at cost	(a)	5,384,261	4,556,546
Software development - Accumulated amortisation		(3,686,393)	(3,144,095)
		1,697,868	1,412,451

Patents - at cost	(b)	12,836	0
Patents - Accumulated amortisation		(519)	0
		12,317	0

Goodwill - at cost	(c)	617,107	617,107
Goodwill - impairment losses	(d)	0	0
		617,107	617,107

Total Intangible Assets		2,327,292	2,029,558
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Movements in Carrying Amounts

	Software	Patents	Goodwill	Total
	\$	\$	\$	\$
Balance as at 1 July 2013	1,211,365	0	617,107	1,828,472
Additions	689,157	0	0	689,157
Amortisation	(488,071)	0	0	(488,071)
Balance as at 30 June 2014	1,412,451	0	617,107	2,029,558
Additions	827,716	12,836	0	840,552
Amortisation	(542,300)	(518)	0	(542,818)
Balance as at 30 June 2015	1,697,867	12,318	617,107	2,327,292

Notes to the Financial Statements (continued)
for the year ended 30 June, 2015

Note 12 Intangible Assets (continued)

(a) Software Development

Software development costs are a combination of acquired software and internally generated intangible assets and are carried at cost less accumulated amortisation. These intangible assets are amortised over a period of five years. The amortisation has been recognised in the statement of profit or loss in the line item "Depreciation and amortisation expense". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(b) Patents and Trademarks

Patents and trademark costs are costs associated with the lodging, renewal, and maintenance of patents and trademarks and are carried at cost less accumulated amortisation. These intangible assets are amortised over a period of five years. The amortisation has been recognised in the statement of profit or loss in the line item "Depreciation and amortisation expense". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

(c) Goodwill

Goodwill relates to the purchase of software businesses in 2008 and 2012. After initial recognition goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on at least an annual basis or whenever there is an indication of impairment.

(d) Impairment Loss and Write Offs

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.

Intangibles 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 plus a terminal value calculation. The cash flows are prepared applying a discount rate of 11.84% (2014: 13.40%) over a 5 year period and terminal value calculated on the year five projected cash flow for a further five years at the same discount rate.

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 software, contracts and goodwill at the balance sheet date and have concluded that there are no impairments or significant write offs.

	Consolidated Group	
	2015	2014
Note	\$	\$
Note 13 Other Non Current Assets		
Rental bond deposit	103,758	103,758
Other non current assets	2	2
	103,760	103,760

Note 14 Trade and Other Payables

Trade payables	130,277	276,382
GST payable	101,966	91,597
Sundry creditors and accruals	321,740	111,510
	553,983	479,489

Trade and other creditors are unsecured, non-interest bearing and are normally settled within 60 day terms. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

	Note	Consolidated Group	
		2015	2014
		\$	\$
Note 15 Provisions			
<i>Current</i>			
Employee benefits		181,030	103,474
<i>Non-Current</i>			
Employee benefits		52,853	61,481

Provision for annual leave is presented as current since the Group does not have an unconditional right to defer settlement. However based on past experience, the Company does not expect all employees to take the full entitlement of leave within the next twelve months. The amount not expected to be taken with the next twelve months is \$52,853, (2014 : \$61,481)

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 16 Deferred Revenue

Current

Support & maintenance fee received in advance	640,545	873,374
Unearned R&D Tax Incentive	241,808	176,567
	882,353	1,049,941

Non-Current

Unearned R&D Tax Incentive	440,224	388,056
	1,322,577	1,437,997

	2015 No	2014 No	2015 \$	2014 \$
Note 17 Contributed Equity				
Issued capital at beginning of the financial period	17,793,229	17,793,229	8,246,064	8,246,064
Shares issued or under issue during the year :-				
Shares Issued to employees under the Energy One Equity Incentive Plan on 14 November 2014	42,112	0	15,995	0
Balance at the end of the financial year	17,835,341	17,793,229	8,262,059	8,246,064

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.

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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

	Consolidated Group	
	2015	2014
Note	\$	\$
Note 18 Reserves		
<i>Share based payment reserve</i>		
Balance at the beginning of the financial year	77,581	77,578
Movement in share based payments	197,344	3
Balance at the end of the financial year	274,925	77,581

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. The expense arising from share based payment transactions recognised during the period are included in employee benefit expense.

Note 19 Commitments

Operating Lease Commitments

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

within one year	57,670	201,601
later than one year but not later than five years	0	57,670
	57,670	259,271

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

Note 20 Contingent Assets and Liabilities

The Group had no contingent liabilities or contingent assets as at 30 June 2015.

Note 21 Segment information

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 2015 the Group derived 89% (2014 : 77%) of revenue from three major customers to which it provided both licences and services. The Company's most significant external customer accounts for 43% (2014 : 44%) of external revenue with the next largest customer contributing 35% (2014: 20%). Management assess the performance of the operating segment based on the accounting profit and loss.

Note 22 Subsequent Events

No matter or circumstance has arisen since 30 June 2015 which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Group, the results of its operations or the state of affairs if the Group.

Note 23 Controlled Entities

	Country of Incorporation	% Equity		Investment \$	
		2015	2014	2015	2014
<i>Ultimate Parent Company</i>					
Energy One Limited	Australia				
<i>Controlled Entity</i>					
Energy One Employee Option Plan Managers Pty Limited	Australia	100%	100%	2	2

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note	Consolidated Group	
	2015	2014
	\$	\$
Note 24 Related Party Transactions		
<i>Key management personnel</i>		
Details regarding key management personnel, their positions, shares, rights, and options holdings are details in the remuneration report within the Directors' Report.		
Remuneration of key management personnel :		
Short term employee benefits	800,360	610,767
Post employment benefits	76,489	44,973
Long term benefits	52,345	7,474
Share based payments	197,344	0
	1,126,538	663,213

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 (2014 : \$4,846).

Note 25 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 co-operation 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:

Financial assets

Cash and cash equivalents	8	1,982,629	1,397,646
Trade and other receivables	9	2,318,825	2,190,024
Due within 12 months		4,301,454	3,587,670
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	14	(553,983)	(479,489)
Net assets		3,851,229	3,211,939

Risk exposures and responses

Foreign exchange risk

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

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 2015 approximately 89% (2014 : 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.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 25 Financial Risk Management (continued)

Cash flow and fair value interest rate risk (continued)

The interest rate risk is detailed in the tables below :

	Weighted Avg Effective Interest rate %	Fixed Interest Rate \$	Floating Interest Rate \$	Non-Interest Bearing \$	Total \$
<i>Consolidated entity 30 June 2015</i>					
Financial Assets :					
Cash and cash equivalents	2.60%	1,773,225	209,407	0	1,982,632
Receivables	0%	0	0	2,318,825	2,318,825
Deposit for bank guarantee	2.55%	103,758	0	0	103,758
		1,876,983	209,407	2,318,825	4,405,215
Financial Liabilities :					
Payables		0	0	553,983	553,983
		0	0	553,983	553,983

Consolidated entity 30 June 2014

Financial Assets :					
Cash and cash equivalents	2.96	1,243,799	153,847	0	1,397,646
Receivables	0.00	0	0	2,190,024	2,190,024
Deposit for bank guarantee	4.00	103,758	0	0	103,758
		1,347,557	153,847	2,190,024	3,691,428
Financial Liabilities :					
Payables		0	0	479,489	479,489
		0	0	479,489	479,489

Sensitivity Analysis

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.

At 30 June 2015, 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:

	Note	Consolidated Group 2015 \$	2014 \$
Change in profit			
Increase in interest rate by 1%		2,832	2,396
Decrease in interest rate by 1%		(2,832)	(2,396)
Change in equity			
Increase in interest rate by 1%		2,832	2,396
Decrease in interest rate by 1%		(2,832)	(2,396)

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

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 25 Financial Risk Management (continued)

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.

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.

Due to the cash available to the Group there is no use of any credit facilities at reporting date (Note 8).

All financial assets and liabilities are due within 12 months.

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.

Note 26 Share Based Payments

The following share-based payment arrangements existed at 30 June 2015:

Tax Paid Option Plan

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.

	2015 Number of options	2014 Number of options
Balance at the start of the year	500,000	500,000
Movements during the year	0	0
Balance at end of the year	500,000	500,000
Exercisable at year-end	0	0
Outstanding at year-end	500,000	500,000
Average exercise price in cents	37.00	37.00

Equity Incentive Plan

The Equity Incentive Plan (EIP) was established on 31 October 2014. The EIP allows the Company to offer employees, and directors and wide range of different share scheme interests, either as exempt shares or share schemes subject to satisfying performance and service conditions set down at the time of offer.

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

Note 26 Share Based Payments (continued)

Equity Incentive Plan (continued)

	Consolidated Group	
	2015	2014
Note	\$	\$
42,112 Exempt employee shares @ 37.98c issued 12/11/2014	15,994	0
150,000 share rights issued at fair value of 38.03c to Shaun Ankers 12/11/2014 vesting 18/11/2015	35,423	0
166,667 share rights issued at fair value of 38.02c to Shaun Ankers 12/11/2014 vesting 31/08/2015	49,958	0
166,667 share rights issued at fair value of 38.05c to Shaun Ankers 12/11/2014 vesting 31/08/2016	22,230	0
166,666 share rights issued at fair value of 38.07c to Shaun Ankers 12/11/2014 vesting 31/08/2017	14,313	0
125,000 share rights issued at fair value of 38.03c to Ottmar Weiss 12/11/2014 vesting 10/11/2015	30,168	0
62,500 share rights issued at fair value of 38.03c to Ian Ferrier 12/11/2014 vesting 10/11/2015	15,084	0
62,500 share rights issued at fair value of 38.03c to Andrew Bonwick 12/11/2014 vesting 10/11/2015	15,084	0
62,500 share rights issued at fair value of 38.03c to Vaughan Busby 12/11/2014 vesting 10/11/2015	15,084	0
Total expense arising from EIP share based payments for the financial year	213,338	0
Movements in share rights under the EIP for the financial year :	2015	2014
	No of rights	No of rights
Balance at the being of the financial year	0	0
Rights granted	962,500	0
Balance at the end of the financial year	962,500	0
Average issue price in cents	38.04	0

No options and share rights were vested as at 30 June 2015 nor exercised during the year ended 30 June 2015.

The weighted average share price during the financial year was 37.42c (2014: 22.35c).

The weighted average remaining contractual life of options under the TPOP outstanding at the end of the financial year was 0.39 years (2014: 1.39 years). The options under the TPOP will expire on 18 November 2015.

The weighted average remaining contractual life of the share rights under the EIP outstanding at the end of the financial year was 0.79 years (2014: Nil years).

For the share rights granted under the EIP during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Vesting Date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate
12 Nov 2014	18 Aug 2015	0.38	65.00%	0.00%	2.60%
12 Nov 2014	31 Aug 2015	0.38	65.00%	0.00%	2.60%
12 Nov 2014	31 Aug 2016	0.38	65.00%	0.00%	2.65%
12 Nov 2014	31 Aug 2017	0.38	65.00%	0.00%	2.46%
12 Nov 2014	10 Nov 2015	0.38	65.00%	0.00%	2.60%

Notes to the Financial Statements (continued)

for the year ended 30 June, 2015

	Consolidated Group	
	2015	2014
Note	\$	\$
Note 27 Parent Entity Disclosures		
The following information has been extracted from the books and records of the parent, Energy One Limited and has been prepared in accordance with Accounting Standards.		
Current assets	4,344,120	3,727,919
Non current assets	2,765,290	2,125,905
Total Assets	7,109,410	5,853,824
Current liabilities	1,944,250	1,694,385
Non current liabilities	493,077	388,057
Total Liabilities	2,437,327	2,082,442
Issued capital	8,262,059	8,246,064
Reserves	274,925	77,581
Accumulated losses	(3,864,901)	(4,552,263)
Total Equity	4,672,083	3,771,382
Profit for the year of the parent entity	687,361	337,604
Total comprehensive income for the parent entity	687,361	337,604

The Parent has deposits with banks that are used for bank guarantees of \$103,758 for rent on office premises.

The Parent has no other contingent liabilities or contractual commitments for the acquisition of property, plant or equipment.