ENERGY ONE LIMITED

ABN 37 076 583 018

APPENDIX 4E
for the year ended 30 June 2019

Contents

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Energy One Limited

37 076 583 018

Appendix 4E

Preliminary Final Financial Report

Reporting Period	**for the year ended 30 June 2019**
Previous Reporting Period	for the year ended 30 June 2018

Results for announcement to the market	**2019**	2018	Change
	$	$	%
Revenue and other income	**16,065,098**	9,926,946	62%
EBITDA *	**3,850,977**	2,500,205	54%
Profit before income tax	**2,063,072**	1,718,412	20%
Profit from ordinary activities after tax attributable to members	**1,309,040**	1,040,343	26%
Profit attributable to members	1,309,040	1,040,343	26%
Net tangible asset backing per ordinary share shown in cents **	**14.82**	14.86	0%

* Before acquisition and related costs in FY2019 of $381k

** NTA includes software development used to generate income and excludes deferred tax assets

Commentary

Please refer to the attached Chief Executive Officer's Report and consolidated financial statements for the year ended 30 June 2019.

Other information

Control gained over entities having a material effect

Contigo Software Limited

Loss of control over entities having a material effect

N/A

Details of associates and joint venture entities

Please refer to the 30 June 2019 Financial Statements for details.

Audit Status

This report is based on accounts that are in the process of being audited.

Attachments

Further disclosure requirements can be found in the notes to the attached 30 June 2019 Financial Statements.

Reporting Period	**for the year ended 30 June 2019**
Previous Reporting Period	for the year ended 30 June 2018

Dividends	**Amount per ordinary share**	**Franked Amount per ordinary share**
Dividend (declared, not provided at 30 June 2019)	3.00 Cents	0.00 Cents

The record date for the dividend will be 4 October 2019. The payment date for the dividend will be 21 October 2019.

Dividend paid during the year	2.00 Cents	0.00 Cents

The record date for the dividend was 28 September 2018. The payment date for the dividend was 26 October 2018.

Dividend paid during 2018 financial year	1.00 Cents	0.00 Cents

The record date for the dividend was 29 September 2017. The payment date for the dividend was 27 October 2017.

There was no other dividend paid or declared for the year ended 30 June 2019.

Dividend Reinvestment Plan
Energy One Limited (EOL) has a Dividend Reinvestment Plan (DRP) allowing eligible shareholders to reinvest their dividends into EOL shares. The terms and conditions of the DRP has been distributed to all eligible shareholders.

The DRP provides eligible shareholders with the opportunity to elect to take all or part of their dividends in the form of new shares issued in accordance with the DRP plan rules. Shares are provided under the plan free of brokerage and other transaction costs and will rank equally with all other ordinary shares on issue.

The DRP will apply to dividends declared including the 2019 final dividend declared above. DRP Applications or notices received after 5.00pm (Sydney time) on 27 September 2019 will not be effective for payment of this final dividend but will be effective for any future dividend payments.

The DRP price for the final dividend will be equal to the arithmetic average of the daily volume weighted average market price (rounded to the nearest cent) of all shares sold through a normal trade on the ASX automated trading system during the DRP price determination period for this dividend, being 26 August to 30 August 2019 (inclusive). If there are no share trades in the period the the DRP price will be the last traded price. The Board's reserves the right to set the DRP price at its sole discretion.

Shaun Ankers - Chief Executive Officer
22 August 2019

Chief Executive Officer's Report

The past year has been a transformational one for Energy One, a culmination of efforts undertaken in the past few years. In FY19, we established a successful and sustainable presence in the European energy market, while continuing to grow our business domestically and develop our capability to address the needs of our Australasian customers, now and in the future. In doing so, we have become one of the largest, independent ETRM vendors globally.

I am particularly pleased to report that FY19 was another profitable year for Energy One, with revenues up 62% on last year; EBITDA up 39% and net profit after tax up 26% over the prior year.

The results are even better if you set aside the $0.38M associated with one-off acquisition costs, the underlying operating result was EBITDA of $3.85M (up 54%) and NPBT of $2.4M (up 42%).

This result includes seven months' contribution from Contigo, which has proven to be most satisfying, not only financially (EBITDA of $0.96M for the 7 months) but also via new integration/synergy opportunities that have arisen.

Performance of the domestic Australian business was also strong, with that business generating EBITDA growth (excluding one-off acquisition costs) of 16% on the prior financial year. This, result was assisted by two larger projects, mainly in the second half. Australasian recurring revenues grew to $7.6M (70% of total Australasian revenue).

The Company's net assets increased by $1.88M during the year and cash was $1.49M.

The Group's debt position (at 30/6/19) was reduced to $6.48M, representing less than 1.7x EBITDA.

The Group now has more than 190 customer installations in 11 countries and the FY19 result is the consequence of our diversification strategy – to be continued via both organic growth and strategic acquisitions.

Domestic Business Review and Outlook
While Energy One now offers a global reach and support for our international customers, our Australasian territory (Australia, NZ and Singapore) remains extremely important to us, with these markets still underpinning our income.

Within Australia, Energy One is the leading supplier of specialist software and services to the highly complex *wholesale energy trading market* (i.e. bulk energy, typically electricity and gas). We offer a range of solutions within a 'suite' of products to meet the wide and varied needs of energy traders, generators, retailers and industrial customers. Our client base includes blue-chip firms prominent in the energy market.

The terminology for this type of software is 'Energy Trading and Risk Management' (ETRM) systems and in the year ahead we are confident that our ongoing sales and marketing effort will result in new sales, albeit at a steady pace, due to the fact that some 50% of the wholesale energy trading in Australia now uses our systems in one way or another, and the local market opportunity is finite. Nonetheless, during FY19, we added 10 new customers, largely new entrants (e.g. those customers suited to the NemSight product) but also some upgrades and cross-selling of products/modules. As mentioned, underlying EBITDA growth of the Australian business was 16% for the year.

We also continue to make progress winning large customers in our local market. During FY19, the Company acquired two major customers for its EOT trading platform, with these large projects ongoing during FY19 and into FY20. Our pypIT product had a strong year with revenues approaching $1.1M on the back of responding to some key market changes in gas trading.

In the year ahead we are confident of securing 1-2 medium to large ETRM projects in FY20, as well as some new smaller customers and ongoing work from existing customers. The progress towards 5-minute settlements remains a tailwind trend into FY21, although some customers appear likely to delay this decision for as long as possible and thus, we do not expect any significant surge during FY20 (more likely into FY21).

Internal investment for capability (e.g. 5-minute settlements) continues to be a feature of the business to address the evolving market. These projects are proceeding well, and it is our expectation that we will stay ahead of our competitors in key market capabilities. That said, the year ahead will include costs associated with this investment greater than historical levels. The Company expects FY20 to be a year of consolidation, building into those FY21 opportunities.

By design, over the last few years, the company has diversified not only its customer base but also its product range, now offering products to various customer segments. At the smaller end of the market customers tend to be fast moving and less prone to procurement-related delays. This balances well with our larger, periodic projects allowing us to better manage and assign resources where required.

In FY19, some 70% of our Group operating revenue was recurring revenue. This is slightly lower than historical as the Contigo business has a recurring revenue ratio of 65% (versus the Australasian business at ~70%). We aim to grow this Contigo ratio in the year ahead. Recurring revenue (licences, support, hosting) is highly valued by the business and SaaS-based products are ideally suited to this type of revenue.

Project-related revenue is subject to variables such as customer procurement, capex cycles and associated timing fluctuations. Despite its variability, project-related revenue should always be regarded as welcome because it generates trailing recurring revenue (license or support fees) and typically comes from larger customers.

In the year ahead, Energy One will continue to market its products and services to domestic energy companies focusing on opportunities to provide existing customers with new innovative solutions. Being able to deal with a single software vendor for trading, analytics and operations provides our customers with substantial productivity gains.

Energy One has a highly capable team of experts bringing knowledge and solutions to address our customer and market needs. The stability, knowledge and dedication that our employees bring is unrivalled by any competitor in the Australian marketplace and we are pleased to involve our employees as co-owners via the Company's employee share scheme.

The energy market is changing rapidly through growth in new generation technology such as solar, battery storage and demand-side management. Our ability to adapt existing software will facilitate the accelerated market penetration of these new technologies.

We remain confident that our capability and dedication to servicing the domestic market provides customers with confidence that Energy One should be their preferred partner for energy trading software and services now and in the future.

International Business Operations – welcoming Contigo

In FY19, we made a key strategic step forward with the acquisition of Contigo Software Limited, a leading UK-based ETRM vendor. The Contigo business is highly synergistic and complementary with our domestic product capability and gives us access to the broader European market for cross-selling and bundling opportunities.

Measured at year end (after 7 months) we are pleased to report that the acquisition has been highly successful for us, on many levels, over this period. Contigo has generated $4.8M in sales and $0.96M in EBITDA. The acquisition being earnings accretive, contributed to a lift to 1.1 cents per share during the year (Group: 6.2 cps for full year).

Furthermore, we have gained a sister-organization of like-minded individuals dedicated to the provision of high-quality ETRM solutions to a specialized and deep European market. In so doing, we are fortunate to have the talents of Contigo's professional and enthusiastic employees, who will themselves become shareholders of EOL in due course. We also have a highly capable management team - strongly led by our appointment of Mr. Simon Wheeler as European CEO.

Efforts have been underway to achieve cultural integration and to share knowledge and expertise - including global delivery of service both internally and to customers. We are happy to report that the integration thus far has been successful and both teams have retained key staff and capability.

Technological and back office integration has occurred, where appropriate. Product integrations have also been achieved, for example, between enTrader (UK) and EnergyFlow (AU) enabling more effective offerings to customers. Of note, have been the tangible 'cross-sell' project opportunities (predominantly with international-reach customers) that we would not have seen without the acquisition.

With a strong presence in the UK market, Contigo is now targeting greater European exposure with marketing efforts and product enhancement being applied towards this goal. Contigo's products are already modern, easy to implement and SaaS-based, giving Contigo a strong value proposition for new market entrants and other energy players looking for a convenient and reliable ETRM solution. In a market where recent consolidation has seen large, global ETRM behemoths become the norm – the presence of an independent, agile supplier of rapidly-deployed and cost-effective solutions provides customers with a genuine and attractive alternative. In the seven months since acquisition, Contigo has picked up 5 new customers in UK, central Europe and Scandinavia – all the projects are SaaS-based.

We remain open to further opportunities to acquire complementary businesses. Contigo provides a launch pad for extending reach into Europe and any acquisitions made will be to build synergies, capability and presence in that market.

Looking forward to the year ahead

The Energy One group is now a provider of energy trading software with global-reach. With a broad customer base, established brands and sound financials, the Company is keen to continue to build upon its achievements domestically and internationally.

In addition to seeking organic growth, the Company actively seeks strategic growth through prudent acquisitions and other strategic relationships related to highly complementary businesses.

We expect our core business to deliver continued profitability in the year ahead, albeit with the knowledge that we will be investing in resourcing for increased capability, marketing and expansion. This means increased costs in the year ahead, and progress will be steady (rather than stellar) - before seeking to capitalize on these investments in FY21.

In keeping with past practice, the Company wishes to provide shareholders with an indication of the shape of the business going forward, now that Contigo has been successfully integrated. As such, our expectations are that for FY20, the Group is likely to achieve revenues in the order of $19M and EBITDA of approximately $4.5M.

In closing, 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 another prosperous year ahead.

Shaun Ankers

Consolidated Preliminary Financial Statements
for the year ended 30 June 2019

Contents **Page**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June, 2019

	Note	Consolidated Group 2019 $	2018 $
Revenue and other income			
Revenue	2	**15,670,928**	9,299,107
Other income	2	**394,170**	627,839
		16,065,098	9,926,946
Expenses			
Direct project costs		**(794,494)**	(257,392)
Employee benefits expense	3	**(8,232,946)**	(4,964,443)
Depreciation and amortisation expense	3	**(1,269,440)**	(772,052)
Rental expenses on operating leases		**(476,928)**	(262,780)
Consulting expenses		**(754,041)**	(612,721)
Insurance		**(117,781)**	(93,996)
Accounting fees		**(153,480)**	(92,955)
Finance costs	3	**(169,434)**	(54,398)
Acquisition and related expenses		**(380,619)**	0
Overseas marketing and research costs		**(87,803)**	(157,134)
Other expenses		**(1,565,060)**	(940,663)
		(14,002,026)	(8,208,534)
Profit before income tax		**2,063,072**	1,718,412
Income tax expense	4	**(754,032)**	(678,069)
Profit after income tax attributable to owners of the parent entity		**1,309,040**	1,040,343
Basic earnings per share (cents per share)	7	**6.22**	5.16
Diluted earnings per share (cents per share)	7	**6.15**	5.07
Other comprehensive income :-			
Profit after income tax attributable to members		**1,309,040**	1,040,343
Exchange differences arising from translation of foreign operations		**187,244**	0
Total comprehensive income		**1,496,284**	1,040,343
Total comprehensive income attributable to owners of the parent entity		**1,496,284**	1,040,343

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

Consolidated Statement of Financial Position

as at 30 June, 2019

	Note	Consolidated Group 2019 $	2018 $
Current Assets			
Cash and cash equivalents	8	**2,216,435**	727,856
Trade and other receivables	9	**4,600,444**	1,828,785
Other assets	10	**473,178**	176,650
Total Current Assets		**7,290,057**	2,733,291
Non-Current Assets			
Trade and other receivables	9	**98,943**	323,602
Property, plant and equipment	11	**642,503**	523,989
Software development	12	**9,963,709**	5,064,637
Intangible assets	13	**5,222,846**	3,474,742
Other assets	10	**148,187**	146,672
Deferred tax asset	4	**595,148**	597,271
Total Non Current Assets		**16,671,336**	10,130,913
Total Assets		**23,961,393**	12,864,204
Current Liabilities			
Trade and other payables	14	**2,485,282**	1,034,650
Borrowings	15	**1,353,804**	121
Income tax payable		**718,041**	801,771
Deferred revenue	17	**2,915,831**	2,124,630
Provisions	16	**662,211**	363,380
Total Current Liabilities		**8,135,169**	4,324,552
Non-Current Liabilities			
Trade and other payables	14	**95,026**	211,474
Borrowings	15	**5,131,557**	0
Deferred revenue	17	**1,556,659**	1,113,215
Provisions	16	**66,257**	120,849
Total Non Current Liabilities		**6,849,499**	1,445,538
Total Liabilities		**14,984,668**	5,770,090
Net Assets		**8,976,725**	7,094,114
Equity			
Contributed equity	18	**10,024,368**	9,242,736
Reserves	19	**415,798**	211,139
Accumulated losses		**(1,463,441)**	(2,359,761)
Total Equity		**8,976,725**	7,094,114

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, 2019

	Note	Contributed Equity $	Share Based Payments Reserve $	Foreign Exchange Reserve $	Accumulated Losses $	Total $
				Consolidated Group		
Balance as at 1 July 2017		8,956,381	59,608	0	(3,201,109)	5,814,880
Total comprehensive profit for the year		0	0	0	1,040,343	1,040,343
Transactions with owners in their capacity as owners:						
Share issues		200,909	0	0	0	200,909
Share based payments		21,996	214,981	0	0	236,976
Shares vesting		63,450	(63,450)	0	0	0
Dividends paid	6	0	0	0	(198,995)	(198,995)
Balance at 30 June 2018		**9,242,736**	**211,139**	**0**	**(2,359,761)**	**7,094,114**
Total comprehensive profit for the year		**0**	**0**	**187,244**	**1,309,040**	**1,496,284**
Transactions with owners in their capacity as owners:						
Share issues		**412,716**	**0**	**0**	**0**	**412,716**
Share based payments		**25,990**	**360,342**	**0**	**0**	**386,332**
Shares vesting		**342,927**	**(342,927)**	**0**	**0**	**0**
Dividends paid	6	**0**	**0**	**0**	**(412,716)**	**(412,716)**
Balance at 30 June 2019		**10,024,368**	**228,554**	**187,244**	**(1,463,441)**	**8,976,725**

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, 2019

	Note	Consolidated Group 2019 $	2018 $
Cash Flows from Operating Activities			
Receipts from customers		**15,863,865**	11,399,384
Receipts of research and development incentives		**692,908**	814,771
Payments to suppliers and employees		**(12,977,823)**	(8,981,081)
Finance costs		**(169,434)**	(54,398)
Interest received		**29,998**	9,031
Net cash provided by operating activities	8	**3,439,515**	3,187,707
Cash Flows from Investing Activities			
Purchase of property, plant & equipment	11	**(168,530)**	(155,566)
Purchase of intangible assets - patents & trademarks		**(8,164)**	(15,795)
Payment for software development costs	12	**(1,606,238)**	(1,019,776)
Net receipts from restricted term deposit - Bank Guarantee		**0**	184,308
Payment for acquisition of business	22	**(2,048,901)**	(150,000)
Loan to Contigo Software Limited on acquisition	22	**(6,096,882)**	0
Cash obtained on acquisition of business	22	**1,123,622**	0
Net cash used in investing activities		**(8,805,092)**	(1,156,829)
Cash Flows from Financing Activities			
Proceeds from borrowings		**7,280,000**	0
Repayment of borrowings		**(794,759)**	(1,749,879)
Receipts from share issues		**481,242**	152,107
Payment of dividend		**(112,326)**	(67,817)
Net cash provided by / (used in) financing activities		**6,854,157**	(1,665,589)
Net increase / (decrease) in cash held		**1,488,579**	365,289
Cash and cash equivalents at beginning of financial year		**727,856**	362,567
Cash and cash equivalents at end of financial year	8	**2,216,435**	727,856

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, 2019

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 (AASB) 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.

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 Group'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 in the relevant note.

These financial statements have been prepared on an accruals basis under the historical cost convention and are presented in Australian dollars, which is Energy One Limited's functional and presentation currency.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2019. The directors have the power to amend and reissue the financial statements.

(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 2019 and the results of the subsidiaries for the year then ended. Energy One Limited and its subsidiaries 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) 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 annually 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).

(d) Goods and services tax (GST)

Revenues, expenses, liabilities 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.

Note 1 Summary of Significant Accounting Policies (continued)

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

(f) New and amended standards adopted by the Group
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current financial reporting period. There has been no material impact of these changes on the Groups' accounting policies.

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.

AASB 9 replaces the ‘incurred loss’ model in AASB 139 with an ‘expected credit loss’ (‘ECL’) model. The new impairment model is applied to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

Under AASB 9, loss allowances are measured on either of the following bases:
- 12 month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date;
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

ECLs are a probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Group has adopted a simplified approach for trade receivables on the initial transition date (1 July 2018) with an amount equal to full ECL to be recognised. As the ECL assessment has resulted in an immaterial credit loss, no additional impairment allowance has been recognised by the Group.

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. It contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract–based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The standard requires: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determination of 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.

The Group has adopted AASB 15 using the cumulative effect method (by recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of equity at 1 July 2018). The transition exercise on adopting AASB 15 did not result in an adjustment to the opening balance of equity at 1 July 2018.

Based on the Group’s assessment, license fee revenue will continue to be recognised over time as the customer reasonably expects that the entity will undertake activities that will improve or modify the licence over the term of the license period and that the customers benefit will be directly linked to the entities activities over this term. Support and maintenance services exist over the period of the license or term of the agreement and will be continued to be recognised over time.

Note 1 Summary of Significant Accounting Policies (continued)

(f) New and amended standards adopted by the Group (continued)

AASB 15 Revenue from Contracts with Customers (continued)

In relation to project and implementation services, the customer is considered to control the asset being created or enhanced and the asset does not provide the customer with alternate use. This, combined with an enforceable right to payment for performance completed to date, results in the entity continuing to record revenue over time in accordance with the term of the implementation. This revenue will be continued to be recognised on a stage of completion basis in accordance with the judgements disclosed in Note 2.

As a result of this assessment, the application of AASB 15 has not had a material impact on the consolidated Group's financial statements.

(g) New accounting standards for application in future periods

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 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations are set out below :-

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component.

The Group will adopt this standard from 1 July 2019 and its impact on adoption will result in an increase to non-current assets relating to the right-of-use asset, current and non-current liabilities relating to the future lease payments. The operating lease commitments (as disclosed in note 21) which relate to office spaces held by the Group, represent the undiscounted lease commitments at 30 June 2019 that have not been adjusted for lease renewals that may result in an increase to the lease term.

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

Notes to the Financial Statements
for the year ended 30 June, 2019

	Note	Consolidated Group 2019 $	2018 $
Note 2 Revenue and Other Income			
Revenue from continuing operations			
Licences, support and SaaS related services		**11,157,054**	7,656,059
Project implementation		**4,513,875**	1,643,049
		15,670,928	9,299,106
Other income			
Interest income		**31,588**	44,657
Research & development incentive income		**362,582**	583,182
		394,170	627,839
Total Revenue and other Income		**16,065,098**	9,926,945

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

The license fee portion of contract revenue is recognised over time as the performance obligation is satisfied over the term of the license agreement with the customer, unless the customer purchases software that is deemed “plug and play”, where revenue is recognised at a point in time on go-live of the system implementation. Support and maintenance services revenue is recognised over time as the performance obligation is satisfied over the term of the support agreement.

Project and implementation revenue is recognised over time with reference to the stage of completion of the transaction at reporting date and where the 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 for the implementation. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. The timing of invoicing may differ to revenue recognition due to contract milestones included within the contract with a customer, which will result in the recognition of accrued income or deferred revenue.

All revenue is stated net of the amount of goods and services tax.

Key Estimates & Judgements - Revenue Recognition

There are three key judgements associated with License and related services revenue as noted above. These are as follows:

(a) Revenue is recognised at the fair value of consideration received or receivable and there is judgement associated with the expected revenue to be received over the life of a contract with a customer. Management recognise revenue based on the best estimate of expected revenue to be received for individual contracts.

Note 2 Revenue and Other Income (continued)

Key Estimates & Judgements - Revenue Recognition (continued)

(b) Project and implementation services provided to customers is determined with reference to the stage of completion of the transaction at reporting date. There is judgement associated with determining the stage of completion of each individual contract with a customer as noted in the accounting policy above.

(c) License fee revenue is recognised at a point in time or over time depending on the nature of the obligations and activities required under the contract. This determination involves judgement by management in determining the most appropriate revenue recognition model in line with relevant accounting standards.

Interest Income

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

Research & development incentive income

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 capitalised are deferred and recognised in the profit or 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.

Key Estimates - Research and 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.

Note 3 Expenses

The consolidated income statement includes the following specific expenses :

		Consolidated Group	
		2019	2018
	Note	**$**	$
Depreciation and amortisation			
Depreciation - Plant and equipment	11	**105,202**	63,470
Amortisation - Leasehold improvements	11	**144,573**	86,047
Amortisation - Software development	12	**996,769**	616,733
Amortisation - Patents	13	**8,335**	5,299
Loss / (Gain) on Disposal - Plant & equipment	11	**0**	503
Foreign Currency Translation		**14,561**	0
		1,269,440	772,052
Interest Expense		**169,434**	54,398
Employee benefit expenses			
Superannuation expense		**660,282**	394,597
Employee option / share plan benefits	28	**386,331**	236,976
Other employee benefits	(a)	**7,186,332**	4,332,870
		8,232,946	4,964,443

(a) Of the total employee benefit expense, $635,541 represent expenditures related to research and development activities (2018: $723,963).

Notes to the Financial Statements

for the year ended 30 June, 2019

		Note	Consolidated Group 2019 $	2018 $
Note 4	**Income Tax Expenses**			
(a)	The components of tax expense comprise:			
	Current tax		**755,924**	835,709
	Prior year tax adjustment		**(27,941)**	(7,629)
	Foreign exchange variance		**(131)**	0
	Deferred tax		**26,180**	(150,010)
	Income tax expense		**754,032**	678,069
(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 27.5% (2018: 27.5%)		**567,345**	472,563
	Tax effect of overseas tax rate		**(37,454)**	0
	Add tax effect of non-deductible expenses (excluding research & development)		**62,508**	(18,531)
	Income tax expense before effect of R&D Incentive and prior period tax adjustment		**592,400**	454,032
	Tax effect of R&D incentive		**189,573**	231,665
	Prior year tax adjustment		**(27,941)**	(7,629)
	Income tax attributable to entity		**754,032**	678,069
(c)	Net deferred tax asset :-			
	Opening balance		**597,271**	420,949
	Charged to income		**(26,180)**	150,010
	Acquisition		**33,597**	0
	Foreign exchange variance		**1,223**	
	Prior year tax adjustment		**(10,766)**	26,312
	Closing balance net deferred tax asset	(d)	**595,148**	597,271
(d)	Deferred tax asset comprises temporary differences attributable to:			
	Amounts recognised in profit or loss:			
	Accrued income		**(363,809)**	(238,220)
	Deferred revenue		**572,263**	533,411
	Accrued expenses		**102,956**	112,313
	Provisions		**184,003**	133,163
	Prepayments		**(26,272)**	(27,973)
	Other temporary differences		**126,007**	84,576
			595,148	597,271
(e)	The Group has no unrecognised accrued tax losses at 30 June 2019 (2018: $0).			

The income tax expense 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.

	Note	Consolidated Group 2019 $	2018 $

Note 4 Income Tax Expenses (continued)

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.

The Group accounts for R&D incentives as government grants under AASB 120, resulting in the incentive being recognised in the profit or loss and the R&D expenditure treated as a non deductible for tax purposes.

Note 5 Auditor Remuneration

The Auditor of Energy One Limited is BDO East Coast Partnership.

	2019 $	2018 $
Fees paid or payable for audit services :-		
Auditing and reviewing the financial reports	**105,267**	76,000
Fees paid or payable for other services :-		
Taxation services	**33,445**	14,270
Other services	**11,389**	7,435
	150,100	97,705

Note 6 Dividends

	2019 $	2018 $
Dividends paid during the year	**412,716**	198,995
Franking account balance	**0**	0

On 22 August 2017 the Company declared an unfranked dividend of 1 cent per ordinary share ($198,995). The record date for the dividend was 29 September 2017. The payment date for the dividend was 27 October 2017.

On 17 August 2018 the Company declared an unfranked dividend of 2 cents per ordinary share ($412,716). The record date for the dividend is 28 September 2018. The payment date for the dividend was 26 October 2018.

On 22 August 2019 the Company declared an unfranked dividend of 3 cents per ordinary share ($640,011). The record date for the dividend will be 4 October 2019. The payment date for the dividend is 21 October 2019.

Note 7 Earnings per Share

	2019	2018
Basic EPS	**0.0622**	0.0516
Diluted EPS	**0.0615**	0.0507
Earnings used in calculating basic and diluted earnings per share	**1,309,040**	1,040,343
Weighted average number of ordinary shares used in calculating basic earnings per share	**21,038,988**	20,167,621
Weighted average number of options and share rights outstanding	**235,523**	338,679
Weighted average number of ordinary shares used in calculating diluted earnings per share	**21,274,511**	20,506,300

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.

There were 510,916 (2018: 843,195) share rights outstanding at 30 June 2019. 196,148 share rights issued subject to performance provisions being met and are not included in the calculation of diluted earnings per share as the conditions are not yet or unlikely to be satisfied at year end (refer Note 28).

Notes to the Financial Statements
for the year ended 30 June, 2019

	Note	Consolidated Group 2019 $	2018 $
Note 8 Cash and Cash Equivalents			
Cash and cash equivalents at end of financial year		**2,216,435**	727,856

The effective interest rate on short-term bank deposits for the year was 1.98% (2018: 1.91%); these deposits have an average maturity of 273 days. The weighted average effective interest on cash and cash equivalents was 0.47% (2018: 0.51%).

The company has a bank overdraft of $250,000 of which Nil was drawn (2018: $Nil) currently at an interest rate of 7.19% (2018: 7.25%). The Group's exposure to interest rate risk is discussed in Note 27.

Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

		2019 $	2018 $
Profit from ordinary activities after income tax		**1,309,040**	1,040,343
Non-cash flows in profit from ordinary activities :			
Depreciation and amortisation		**1,269,440**	772,052
Proceeds on sale of assets		**0**	(151,531)
Employee share rights		**0**	(5,784)
Foreign exchange reserve		**12,020**	0
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries :			
(Increase)/decrease in trade and other receivables		**192,707**	1,133,737
(Increase)/decrease in other assets		**(193,182)**	160,697
(Increase)/decrease in deferred tax assets		**35,720**	(176,322)
Increase/(decrease) in trade and other payables		**301,585**	(138,579)
Increase/(decrease) in income tax payable		**(92,610)**	213,615
Increase/(decrease) in provisions		**244,239**	127,389
Increase/(decrease) in deferred income		**360,554**	212,090
Net cash provided by operating activities		**3,439,515**	3,187,707

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

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.

Cash and Cash Equivalents & Restrictive Cash Deposits

	Note	2019 $	2018 $
Cash and cash equivalents at end of financial year		**2,216,435**	727,856
Restrictive cash deposits held for bank guarantees :			
Other non-current assets	10	**148,187**	146,672
		2,364,622	874,528

	Note	Consolidated Group 2019 $	2018 $
Note 9 Trade & Other Receivables			
Current			
Trade receivables		**1,916,794**	560,415
Accrued income	(a)	**2,228,911**	542,651
R&D tax incentive	(b)	**453,792**	724,845
Other receivables		**947**	874
		4,600,444	1,828,785
Non current			
Accrued income	(a)	**98,943**	323,602

(a) Accrued Income

Amounts recorded as accrued income represents revenues recorded on projects not invoiced to customers at year end. These amounts have met the revenue recognition criteria but have not reached the payment milestones contracted with customers. 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.

(b) R&D Tax Incentive

The Company is expecting a research and development tax incentive of $453,792 from the Australian Tax Office for FY19 for the R&D costs incurred in the 2019 financial year (2018: 724,845). There are no unfulfilled conditions or other contingencies attaching to the tax incentive.

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 27 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.

			Past due but not impaired			
	Gross Amount	Within initial trade terms	31-60 days	61-90 days	>90 days	Past due and impaired
2019						
Trade receivables and accrued income	**4,244,648**	**4,170,300**	**28,836**	**16,714**	**60,676**	**(31,878)**
Other receivables	**454,739**	**454,739**	**0**	**0**	**0**	**0**
Total	**4,699,387**	**4,625,039**	**28,836**	**16,714**	**60,676**	**(31,878)**
2018						
Trade receivables and accrued income	1,426,668	1,361,036	65,632	0	0	0
Other receivables	725,719	725,719	0	0	0	0
Total	2,152,387	2,086,755	65,632	0	0	0

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

		Note	Consolidated Group 2019 $	2018 $
Note 9	**Trade & Other Receivables (continued)**			

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Refer to note 1(f) for more information relating to the application of the new impairment model. The expected credit loss determined using the simplified approach is Nil (2018: Nil).

		Note	2019 $	2018 $
Note 10	**Other Assets**			
Current	Prepayments and deposits		**473,178**	176,650
Non current	Restricted term deposit		**148,187**	146,672
Note 11	**Property, Plant and Equipment**			
Plant and equipment at cost			**938,747**	500,844
Accumulated depreciation			**(564,157)**	(265,207)
			374,590	235,637
Leasehold improvements at cost			**936,032**	505,842
Accumulated depreciation			**(668,119)**	(217,490)
			267,913	288,352
Total property, plant and equipment			**642,503**	523,989
Movements in Carrying Amounts				
Opening balance			**523,988**	429,442
Additions - at cost			**168,530**	244,566
Additions - acquisition			**199,759**	0
Disposals		3	**0**	(503)
Depreciation & amortisation expense		3	**(249,775)**	(149,517)
Closing balance			**642,503**	523,988

Property, plant and equipment are 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 property, 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 plant and equipment is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives at 20%-40% pa.

The cost of improvements to or on leasehold properties are 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.

	Note	Consolidated Group 2019 $	2018 $
Note 12 Software Development			
Software development - at cost		**13,555,105**	10,006,965
Accumulated amortisation		**(3,591,396)**	(4,942,328)
		9,963,709	5,064,637
Movements in Carrying Amounts			
Opening balance		**5,064,637**	4,661,594
Additions - at cost		**1,606,238**	1,019,776
Additions - acquisition		**4,289,604**	0
Amortisation		**(996,769)**	(616,733)
Balance as at 30 June 2019		**9,963,709**	5,064,637

Software development costs are a combination of acquired software and internally generated assets and are carried at cost less accumulated amortisation. These assets are amortised over a period of ten 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 that the carrying amount.

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 ten 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.

Please refer to note 13 intangibles assets for impairment evaluation and key estimates and judgements.

		2019 $	2018 $
Note 13 Intangible Assets			
Patents and trademarks - at cost		**51,626**	43,462
Patents and trademarks - Accumulated amortisation		**(20,247)**	(11,911)
		31,379	31,551
Goodwill		**5,191,468**	3,443,191
Total Intangible Assets		**5,222,846**	3,474,742

Movements in Carrying Amounts	Patents $	Goodwill $	Total $
Balance as at 1 July 2017	21,055	3,433,092	3,454,147
Additions	15,795	10,099	25,894
Amortisation	(5,299)	0	(5,299)
Balance as at 30 June 2018	31,551	3,443,191	3,474,742
Additions	**8,164**	**1,748,276**	**1,756,440**
Amortisation	**(8,335)**		**(8,335)**
Balance as at 30 June 2019	**31,379**	**5,191,468**	**5,222,846**

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.

		Note	Consolidated Group 2019 $	2018 $

Note 13 Intangible Assets (continued)

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.

Key judgements and estimates - Recoverability of Intangible Assets

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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Goodwill is monitored by management as part of the whole business, which they believe is the only cash-generating-unit. The recoverable amount of the cash-generating-unit 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 8.48% (2018: 10.31%) over a 5 year period and a terminal value calculated on the year five projected cash flow for a further five years at the same discount rate. A period of longer than 5 years has been used by management to better reflect the anticipated lifecycle of current and future licences.

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.

Note 14 Trade and Other Payables

		2019 $	2018 $
Current	Trade payables	**366,970**	223,191
	GST payable	**407,412**	177,991
	Sundry creditors and accruals	**1,600,907**	523,476
	Lease Incentive	**109,992**	109,992
		2,485,282	1,034,650
Non Current	Lease incentive	**95,026**	211,474

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which had not been settled at balance date. Trade and other payables 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.

		Note	Consolidated Group 2019 $	2018 $
Note 15	**Borrowings**			
Current	Bank Overdraft		**0**	0
	Term Loan		**1,353,804**	121
	Total current borrowings		**1,353,804**	121
Non Current	Term Loan		**5,131,557**	0

The company has a bank overdraft of $250,000 of which $Nil was drawn at balance date (2018: $Nil). The overdraft facility attracts an interest rate at 7.19% (2018: 7.25%).

Commencing 28 November 2018, the Company received a 3 year term loan in the amount of $7,280,000 with a five year principal amortisation resulting in a monthly principal and interest repayment of $138,989 currently at an interest rate of 3.96% (2018: Nil%). The funds provided from this term loan were used in the acquisition and funding of Contigo Software Limited. The loan has been paid down to $6,485,361 with $580,507 available to redraw at the balance date. The previous loan of $1,750,000 commencing 27 May 2017 for the purchase of Creative Analytics Pty Limited was fully repaid in July 2018.

Both the term loan and the bank overdraft are secured by a fixed a floating charge over the company and its subsidiaries to Westpac Banking Corporation.

			2019 $	2018 $
Note 16	**Provisions**			
Current	Employee benefits		**662,211**	363,380
Non-Current	Employee benefits		**66,257**	120,849

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 Group 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 $66,257 (2018 : $120,849).

Wages, salaries and annual leave

Liabilities for wages, salaries, 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 expected to be 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.

Notes to the Financial Statements
for the year ended 30 June, 2019

		Note	Consolidated Group 2019 $	2018 $
Note 17	**Deferred Revenue**			
Current	Licences, support and SaaS related services received in advance		**2,704,819**	1,939,675
	Unearned R&D Tax Incentive		**211,012**	184,955
			2,915,831	2,124,630
Non-Current	Licences, support and SaaS related services received in advance		**410,228**	0
	Unearned R&D Tax Incentive		**1,146,431**	1,113,215
			1,556,659	1,113,215

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

Licences, support and SaaS related services received in advance
Research and development tax incentive costs relating to capitalised development costs are deferred and recognised in the profit or loss over the period necessary to match them with the expenses that they are intended to compensate.

Note 18 **Contributed Equity**	**2019 Number**	2018 Number	**2019 $**	2018 $
Issued capital at beginning of the financial period	**20,340,855**	19,732,842	**9,242,736**	8,956,381
Shares issued or under issue during the year -				
Shares Issued to employees	**26,520**	34,914	**25,990**	21,997
Shares issued as a result of the vesting of share rights	**548,269**	166,667	**342,927**	63,450
Shares issued on dividend reinvestment plan	**393,045**	406,432	**412,716**	200,908
Balance at the end of the financial year	**21,308,689**	20,340,855	**10,024,368**	9,242,736

Ordinary Shares
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.

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 Group'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.

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.

	Note	Consolidated Group 2019 $	2018 $
Note 19 Reserves			
Share based payment reserve			
Balance at the beginning of the financial year		**211,139**	59,608
Movement in share based payments		**17,415**	151,531
		228,554	211,139
Foreign exchange reserve			
Balance at the beginning of the financial year		**0**	0
Retranslation of overseas subsidiaries to functional currency		**187,244**	0
		187,244	0
Balance at the end of the financial year		**415,798**	211,139

The Company measures the cost of equity-settled transactions 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 a volume weight average share price five days prior to the date 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.

Note 20 Contingent Assets and Liabilities

The Group had no contingent liabilities or contingent assets as at 30 June 2019.

Note 21 Commitments

Operating Lease Commitments

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

	2019 $	2018 $
within one year	**785,919**	530,167
later than one year but not later than five years	**2,867,068**	1,074,443
	3,652,987	1,604,610

At the reporting date the Group leases three offices, under non-cancellable operating leases the later of which expires in April 2030.

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 Group 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 recognised in profit or loss on a straight line basis over the term of the lease. 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.

Note 22 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.

Notes to the Financial Statements
for the year ended 30 June, 2019

Note 22 Business combinations (continued)

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.

Contigo Software Limited (UK)

On 30 November 2018, Energy One Limited acquired all the shares in Contigo Software Limited ("Contigo") for £715,000 ($1,327,023) and financed Contigo with a £3,285,000 ($6,096,882) shareholder loan. A further £413,131 refund of working capital in excess of £800,000 as at acquisition date was paid in February 2019.

Contigo is a leading supplier of Energy Trading and Risk management (ETRM) solutions that simplify contract and physical energy trading across Europe's complex and sophisticated energy trading landscape. Based in Solihull (UK), Contigo's products use the latest technology and a smart approach to deliver modern, flexible and easy to use software solutions for all points in the energy value chain, including generators, traders, suppliers and large consumers. Contigo has 10+ years of operation, 30+ customers, over 45 staff and a strong brand and market reputation.

Consideration paid and or payable :-	**GBP**	**AUD**
Cash to acquire shares on acquisition	£715,000	$1,327,023
Cash payable to refund excess working capital	£413,131	$721,878
	£1,128,131	$2,048,901
Cash to finance Contigo on acquisition	£3,285,000	$6,096,882

Fair Value Recognised on acquisition :-		
Current Assets		
Cash and cash equivalents	£643,048	$1,123,622
Trade and other receivables	£1,550,724	$2,709,635
Other current assets	£59,047	$103,174
	£2,252,819	$3,936,431
Non Current Assets		
Property, plant & equipment	£116,806	$204,100
Software development - at valuation	£2,368,719	$4,138,947
Deferred tax asset	£19,228	$33,597
Goodwill on acquisition	£751,839	$1,748,276
	£3,256,592	$6,124,920
Total Assets	£5,509,411	$10,061,351
Current Liabilities		
Trade and other payables	£956,437	$1,671,216
Income tax payable	£5,081	$8,878
Deferred revenue	£500,242	$874,091
Provisions	£47,650	$83,261
	£1,509,410	$2,637,446
Non Current Liabilities		
Shareholder Loans	£2,871,869	$5,375,004
Total Liabilities	£4,381,279	$8,012,450
Net Assets	£1,128,132	$2,048,901

The purchase price allocation relating to the acquisition of Contigo Software Limited has been finalised as noted above. The fair value of assets, liabilities and contingent liabilities are estimated by taking into consideration all available information at reporting date. Fair value adjustments at the completion of business combination accounting is retrospective, where applicable, to the period the combination occurred and may have any impact on the assets and liabilities, depreciation and amortisation reported.

Refer to note 23 for information relation to the revenue and profit or loss of the acquire, which represents the UK/Europe segment. The results from the acquisition represent 7 months of control from 1 December 2018.

Notes to the Financial Statements
for the year ended 30 June, 2019

Note 23 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 two geographical segments, being Australasia and UK/Europe. Management and the Board of Directors assesses the performance of the operating segment based on the accounting profit and loss.

Management and the Board of Directors have determined the Group is organised into the two geographical segments for profit and loss purposes as represented in the following table :-

	Australasia 2019	**UK/Europe 2019**	Australasia 2018	UK/Europe 2018
	$	**$**	$	$
Revenue & other income	**11,172,186**	**4,861,324**	9,882,289	0
Expenses	**(8,282,298)**	**(3,900,234)**	(7,382,084)	0
Earnings before interest, tax, depreciation & amortisation	**2,889,888**	**961,090**	2,500,206	0
Depreciation & amortisation	**(927,212)**	**(342,228)**	(772,052)	0
Earnings before interest, tax and acquisition costs	**1,962,675**	**618,862**	1,728,153	0

	Consolidated Group 2019	2018
Reconciliation of unallocated amounts to profit after tax :-	**$**	$
Earnings before interest, tax and acquisition costs	**2,581,537**	1,728,153
Interest paid	**(169,434)**	(54,398)
Interest received	**31,588**	44,657
Acquisition and related costs	**(380,619)**	0
Profit before income tax	**2,063,072**	1,718,412

Segment revenue excludes interest received. Expenses exclude interest paid, depreciation, amortisation and acquisition costs.

During the financial year ended 30 June 2019, the Australasian segment derived 42% (2018: 52%) of revenue from the top three customers and the UK/Europe segment derived 38% (2018: n/a) from the top three customers.

Note 24 Subsequent Events

No matter or circumstance has arisen since 30 June 2019 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 of the Group.

Note 25 Controlled Entities	**Country of Incorporation**	**% Equity 2019**	% Equity 2018	**Investment $ 2019**	Investment $ 2018
Ultimate Parent Company					
Energy One Limited	Australia				
Controlled Entities					
Energy One Employee Option Plan Managers Pty	Australia	**100%**	100%	**2**	2
Creative Analytics Pty Limited	Australia	**100%**	100%	**3,000,000**	3,000,000
Contigo Software Limited	UK	**100%**	0%	**2,048,902**	0

Notes to the Financial Statements

for the year ended 30 June, 2019

	Note	Consolidated Group 2019 $	2018 $

Note 26 Related Party Transactions

Key management personnel

Details regarding key management personnel, their positions, shares, rights, and options holdings are details in the remuneration report within the Directors' Report contained in the 2019 Annual Report.

Remuneration of key management personnel :	2019 $	2018 $
Short term employee benefits	**1,229,427**	1,112,489
Post employment benefits	**83,149**	61,441
Long term benefits	**72,174**	50,881
Share based payments	**289,043**	173,829
	1,673,793	1,398,640

Mr Vaughan Busby - Director

Mr Busby is a non-executive Director of Energy One Limited and Energy Queensland Limited. Ergon Energy Queensland Pty Ltd is a wholly owned subsidiary of Energy Queensland Limited and is a customer of the Company. Transactions between the company and Ergon Energy Queensland Pty Limited are on commercial terms and conditions and are completed at an arms length. The agreement generating transactions between the Company and Ergon Energy Queensland Pty Limited commenced prior to Mr Busby being inducted to Energy Queensland's Board and have continued to operate under the terms and conditions of that agreement.

Note 27 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 9 as detailed in the accounting policies to these financial statements:

	Note	2019 $	2018 $
Financial assets			
Cash and cash equivalents	8	**2,216,435**	727,856
Trade and other receivables - due within 12 months	9	**4,600,444**	1,828,785
Deposit with bank for bank guarantee – due within 12 months	8	**0**	0
Due within 12 months		**6,816,879**	2,556,641
Trade and other receivables - due after 12 months	9	**98,943**	323,602
Deposit with bank for bank guarantee – due after 12 months	8	**148,187**	146,672
Due after 12 months		**247,130**	470,274
Financial liabilities			
Trade and other payables - due within 12 months	14	**(2,485,282)**	(1,034,650)
Borrowings - due with 12 months	15	**(1,353,804)**	(121)
Due within 12 months		**(3,839,086)**	(1,034,771)
Trade and other payables - due after 12 months	14	**(95,026)**	(211,474)
Borrowings - due after 12 months	15	**(5,131,557)**	0
Due after 12 months		**(5,226,583)**	(211,474)
Net financial assets / (liabilities)		**(2,001,660)**	1,780,670

Notes to the Financial Statements
for the year ended 30 June, 2019

Note 27 Financial Risk Management (continued)

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 2019 approximately 6% (2018: 17%) of cash and cash equivalents are fixed short term deposits. 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. The interest rate risk is detailed in the tables below :

Consolidated entity 30 June 2019	**Weighted Avg Effective Interest rate %**	**Fixed Interest Rate $**	**Floating Interest Rate $**	**Non-Interest Bearing $**	**Total $**
Financial Assets :					
Cash and cash equivalents	**0.47%**	**148,187**	**2,216,435**	**0**	**2,364,622**
Receivables	**0.00%**	**0**	**0**	**4,699,387**	**4,699,387**
Deposit for bank guarantee	**1.98%**	**148,187**	**0**	**0**	**148,187**
Total financial assets		**296,374**	**2,216,435**	**4,699,387**	**7,212,196**
Financial Liabilities :					
Borrowings and payables - due within 12 months	**1.53%**	**0**	**1,353,804**	**2,485,282**	**3,839,086**
Borrowings and payables - due after 12 months	**4.27%**	**0**	**5,131,557**	**95,026**	**5,226,583**
Total financial liabilities		**0**	**6,485,361**	**2,580,308**	**9,065,669**
Consolidated entity 30 June 2018					
Financial Assets :					
Cash and cash equivalents	0.51%	146,672	727,856	0	874,528
Receivables	0.00%	0	0	1,828,785	1,828,785
Deposit for bank guarantee	1.91%	146,672	0	0	146,672
		293,344	727,856	1,828,785	2,849,985
Financial Liabilities :					
Borrowings and payables - due within 12 months	1.37%	0	121	1,034,650	1,034,771
Borrowings and payables - due after 12 months	3.61%	0	0	211,474	211,474
		0	121	1,246,124	1,246,245

Foreign exchange risk

The group's exposure to foreign currency risk at the end of the reporting period was as follows:

Consolidated entity 30 June 2019	**GBP**	**EUR**
Financial Assets :		
Cash and cash equivalents	**214,205**	**689,844**
Receivables	**853,799**	**420,658**
Deposit for bank guarantee	**0**	**0**
Total financial assets	**1,068,003**	**1,110,502**
Financial Liabilities :		
Borrowings and payables - due within 12 months	**698,353**	**5,000**
Total financial liabilities	**698,353**	**5,000**

Consolidated entity 30 June 2018

Not applicable

Note 27 Financial Risk Management (continued)

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 2019, 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:

			Consolidated Group	
			2019	2018
		Note	**$**	$
Change in profit	Increase in interest rate by 2%		**(65,944)**	(179)
	Decrease in interest rate by 2%		**65,944**	179
Change in equity	Increase in interest rate by 2%		**(65,944)**	(179)
	Decrease in interest rate by 2%		**65,944**	179

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

The Group has performed sensitivity analysis relating to its exposure to foreign exchange 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 2019, the effect on profit and equity as a result of changes in the foreign exchange rate, with all other variables remaining constant would be as follows:

			Consolidated Group	
			2019	2018
		Note	**$**	$
Change in profit	Increase in foreign exchange rate by 5%		**(17,783)**	0
	Decrease in foreign exchange rate by 5%		**17,783**	0
Change in equity	Increase in foreign exchange rate by 5%		**(27,533)**	0
	Decrease in foreign exchange rate by 5%		**27,533**	0

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

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.

Classification and subsequent measurement

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

Note 27 Financial Risk Management (continued)

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Notes to the Financial Statements
for the year ended 30 June, 2019

Note 28 Share Based Payments

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.

The fair value of shares, and rights granted under all plans is recognised as an employee benefit expense with corresponding increase in equity. The fair value of shares is measured at grant date. The fair value of share rights is determined by using a volume weight average share price five days prior to the date the instruments were granted.

The following share-based payment arrangements existed at 30 June 2019:

Equity Incentive Plan

The Equity Incentive Plan (EIP) was established on 31 October 2014 and ratified on 26 October 2017. The EIP allows the Company to offer employees, and directors 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.

		Consolidated Group	
		2019	2018
	Note	**$**	$
Total expense arising from EIP share based payments for the financial year		**386,331**	236,975

	2019	2018
Movements in share rights under the EIP for the financial year :	**No of rights**	No of rights
Balance at the being of the financial year	**843,195**	333,333
Rights granted	**510,916**	843,195
Rights lapsing	**(294,926)**	(166,666)
Rights vested and issued as ordinary shares	**(548,269)**	(166,667)
Balance at the end of the financial year	**510,916**	843,195
Average issue price in cents	**96.43**	49.43

548,269 share rights vested during the year ended 30 June 2019 (166,667 : 2018) and 294,926 share rights lapsed (166,666 : 2018). 510,916 share rights were issued during the year ended 30 June 2019. The weighted average share price at the date of issue was 104.02c. The exercise price is $nil (2018: Nil). The weighted average share price during the financial year was 112.37c (2018: 68.23c).

The weighted average remaining contractual life of the share rights under the EIP outstanding at the end of the financial year was 0.57 years (2018: 0.92 years).

Key Estimates - Share based payment

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 a volume weight average share price five days prior to the date 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.

Notes to the Financial Statements

for the year ended 30 June, 2019

Note 29 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.

	Note	Consolidated Group 2019 $	2018 $
Current assets		**2,885,725**	2,561,183
Non current assets		**14,937,611**	7,987,256
Total Assets		**17,823,336**	10,548,439
Current liabilities		**4,321,544**	2,693,583
Non current liabilities		**6,391,805**	1,376,118
Total Liabilities		**10,713,349**	4,069,701
Net Assets		**7,109,987**	6,478,738
Issued capital		**10,024,368**	9,242,736
Reserves		**171,866**	211,139
Accumulated losses		**(3,086,248)**	(2,975,136)
Total Equity		**7,109,986**	6,478,739
Profit before income tax		**696,482**	925,581
Income Tax Expense		**(394,878)**	(439,330)
Profit for the year of the parent entity		**301,604**	486,251
Total comprehensive income for the parent entity		**301,604**	486,251

The Parent has deposits with banks that are used for bank guarantees of $111,466 (2018: $110,326) for rent on head office premises.

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

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