

Enspire Australia Pty Ltd

ABN 96 105 883 887

Annual Report - 30 June 2016

Enspire Australia Pty Ltd
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Geoffrey Nicholas
Mark Eckert

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- offering cloud based IT Services in Melbourne and Sydney to the small and mid markets.

Dividends

Dividends paid during the financial year were as follows:

	2016 \$	2015 \$
Final dividend for the year.	<u>290,000</u>	<u>200,000</u>

Review of operations

The profit for the company after providing for income tax amounted to \$386,925 (30 June 2015: \$458,745).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Enspire Australia Pty Ltd
Directors' report
30 June 2016

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

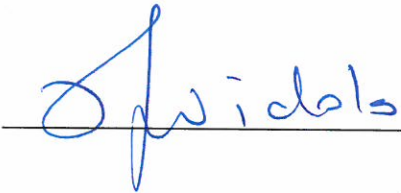
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'D. Widdals', is written over a horizontal line.

18 August 2017

DAVID JAFFE
CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of Enspire Australia Pty Ltd for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Enspire Australia Pty Ltd.



D. L. Jaffe
Registered Company Auditor
ASIC Registration: 8559
Melbourne, Victoria
Date:

Enspire Australia Pty Ltd
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General information

The financial statements cover Enspire Australia Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Enspire Australia Pty Ltd's functional and presentation currency.

Enspire Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 9
99 William Street
Melbourne Victoria 3000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 August 2017. The directors have the power to amend and reissue the financial statements.

Enspire Australia Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Revenue	3	6,248,077	6,107,125
Expenses			
Data centre costs		(2,142,661)	(2,048,115)
Corporate and administration expense		(226,964)	(279,757)
Rent and office expense		(194,668)	(185,817)
Employee benefits expense		(2,524,552)	(2,491,701)
Depreciation and amortisation expense		(133,706)	(80,955)
Finance costs		(4,581)	(3,509)
Profit before income tax expense		1,020,945	1,017,271
Income tax expense	4	(634,020)	(558,526)
Profit after income tax expense for the year attributable to the owners of Enspire Australia Pty Ltd		386,925	458,745
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Enspire Australia Pty Ltd		<u>386,925</u>	<u>458,745</u>

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

Enspire Australia Pty Ltd
Statement of financial position
As at 30 June 2016

	Note	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	5	270,614	319,145
Trade and other receivables	6	332,659	454,961
Income tax refund due	7	269,580	209,858
Other	8	98,218	29,382
Total current assets		<u>971,071</u>	<u>1,013,346</u>
Non-current assets			
Property, plant and equipment	9	170,050	108,812
Deferred tax	10	63,730	58,409
Total non-current assets		<u>233,780</u>	<u>167,221</u>
Total assets		<u>1,204,851</u>	<u>1,180,567</u>
Liabilities			
Current liabilities			
Trade and other payables	11	276,249	411,065
Borrowings	12	38,629	-
Employee benefits	13	120,485	142,856
Other	14	144,906	155,057
Total current liabilities		<u>580,269</u>	<u>708,978</u>
Non-current liabilities			
Borrowings	15	31,328	-
Employee benefits	16	91,949	67,209
Total non-current liabilities		<u>123,277</u>	<u>67,209</u>
Total liabilities		<u>703,546</u>	<u>776,187</u>
Net assets		<u>501,305</u>	<u>404,380</u>
Equity			
Issued capital		130,000	130,000
Retained profits		<u>371,305</u>	<u>274,380</u>
Total equity		<u>501,305</u>	<u>404,380</u>

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

Enspire Australia Pty Ltd
Statement of changes in equity
For the year ended 30 June 2016

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2014	130,000	15,635	145,635
Profit after income tax expense for the year	-	458,745	458,745
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	458,745	458,745
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid (note 17)	-	(200,000)	(200,000)
Balance at 30 June 2015	<u>130,000</u>	<u>274,380</u>	<u>404,380</u>
	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 July 2015	130,000	274,380	404,380
Profit after income tax expense for the year	-	386,925	386,925
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	386,925	386,925
<i>Transactions with owners in their capacity as owners:</i>			
Dividends paid (note 17)	-	(290,000)	(290,000)
Balance at 30 June 2016	<u>130,000</u>	<u>371,305</u>	<u>501,305</u>

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

Enspire Australia Pty Ltd
Statement of cash flows
For the year ended 30 June 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,982,222	5,797,812
Payments to suppliers and employees (inclusive of GST)		(5,813,771)	(5,427,481)
		168,451	370,331
Interest received		2,729	1,988
Interest and other finance costs paid		(4,581)	(3,509)
R&D tax offset received		908,902	826,792
Payments for other assets		(10,000)	-
Income taxes paid		(699,045)	(703,906)
Net cash from operating activities	19	366,456	491,696
Cash flows from investing activities			
Payments for property, plant and equipment		(194,944)	(65,259)
Net cash used in investing activities		(194,944)	(65,259)
Cash flows from financing activities			
Proceeds from borrowings		79,085	-
Dividends paid	17	(290,000)	(200,000)
Repayment of borrowings		(9,128)	(1,923)
Net cash used in financing activities		(220,043)	(201,923)
Net increase/(decrease) in cash and cash equivalents		(48,531)	224,514
Cash and cash equivalents at the beginning of the financial year		319,145	94,631
Cash and cash equivalents at the end of the financial year	5	<u>270,614</u>	<u>319,145</u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Enspire Australia Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Enspire Australia Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering of services

Revenue from the delivery of services is recognised upon delivery of the service to the customer.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

R&D tax offset

R&D tax offset revenue is recognised when there is reasonable assurance that it will be received, and recognised in the statement of comprehensive income, in the same period that the related costs are recognised as expenses.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 1. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables are recognised at amortised cost, less any provision for impairment.

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. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Note 1. Significant accounting policies (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	1 to 2.5 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Significant accounting policies (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Issued capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2016. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

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

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the company taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Revenue

	2016 \$	2015 \$
<i>Sales revenue</i>		
Sales - rendering of services	5,336,428	5,278,345
<i>Other revenue</i>		
Interest	2,729	1,988
R&D tax offset	908,920	826,792
	911,649	828,780
Revenue	<u>6,248,077</u>	<u>6,107,125</u>

Note 4. Income tax expense

	2016 \$	2015 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	1,020,945	1,017,271
Tax at the statutory tax rate of 30%	306,284	305,181
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non assessable R&D tax offset	(272,676)	(248,038)
Movement in deferred tax	(5,321)	(58,409)
R&D tax accounting expenditures	605,946	551,195
Other permanent and timing differences	(213)	8,597
Income tax expense	<u>634,020</u>	<u>558,526</u>

Enspire Australia Pty Ltd
Notes to the financial statements
30 June 2016

Note 5. Current assets - cash and cash equivalents

	2016 \$	2015 \$
Cash at bank	<u>270,614</u>	<u>319,145</u>

Note 6. Current assets - trade and other receivables

	2016 \$	2015 \$
Trade receivables	308,659	432,099
Work in progress	<u>24,000</u>	<u>22,862</u>
	<u>332,659</u>	<u>454,961</u>

Note 7. Current assets - income tax refund due

	2016 \$	2015 \$
Income tax refund due	<u>269,580</u>	<u>209,858</u>

Note 8. Current assets - other

	2016 \$	2015 \$
Prepayments	88,218	29,382
Other current assets	<u>10,000</u>	<u>-</u>
	<u>98,218</u>	<u>29,382</u>

Note 9. Non-current assets - property, plant and equipment

	2016 \$	2015 \$
Plant and equipment - at cost	426,495	551,892
Less: Accumulated depreciation	<u>(256,445)</u>	<u>(443,080)</u>
	<u>170,050</u>	<u>108,812</u>

Note 10. Non-current assets - deferred tax

	2016 \$	2015 \$
Deferred tax asset	<u>63,730</u>	<u>58,409</u>

Enspire Australia Pty Ltd
Notes to the financial statements
30 June 2016

Note 11. Current liabilities - trade and other payables

	2016 \$	2015 \$
Trade payables	69,484	83,164
BAS payable	58,367	83,805
Other payables	148,398	244,096
	<u>276,249</u>	<u>411,065</u>

Note 12. Current liabilities - borrowings

	2016 \$	2015 \$
Microsoft financing loan	<u>38,629</u>	<u>-</u>

Note 13. Current liabilities - employee benefits

	2016 \$	2015 \$
Annual leave	<u>120,485</u>	<u>142,856</u>

Note 14. Current liabilities - other

	2016 \$	2015 \$
Deferred revenue	<u>144,906</u>	<u>155,057</u>

Note 15. Non-current liabilities - borrowings

	2016 \$	2015 \$
Microsoft financing loan	<u>31,328</u>	<u>-</u>

Note 16. Non-current liabilities - employee benefits

	2016 \$	2015 \$
Long service leave	<u>91,949</u>	<u>67,209</u>

Note 17. Equity - dividends

Dividends paid during the financial year were as follows:

	2016 \$	2015 \$
Final dividend for the year.	<u>290,000</u>	<u>200,000</u>

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 19. Reconciliation of profit after income tax to net cash from operating activities

	2016 \$	2015 \$
Profit after income tax expense for the year	386,925	458,745
Adjustments for:		
Depreciation and amortisation	133,706	80,955
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	122,302	(29,782)
Increase in income tax refund due	(59,722)	(86,971)
Increase in deferred tax assets	(5,321)	(58,409)
Decrease/(increase) in other operating assets	(68,836)	42,172
Decrease in trade and other payables	(134,816)	(146,493)
Increase in employee benefits	2,369	210,065
Increase/(decrease) in other operating liabilities	<u>(10,151)</u>	<u>21,414</u>
Net cash from operating activities	<u>366,456</u>	<u>491,696</u>

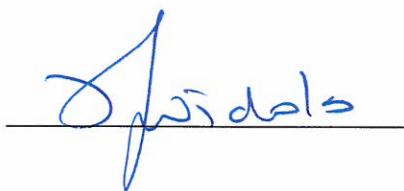
Enspire Australia Pty Ltd
Directors' declaration
30 June 2016

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Enspire Australia Pty Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



18 August 2017

DAVID JAFFE

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ENSPIRE AUSTRALIA PTY LTD

Report on the Financial Report

We have audited the accompanying financial report being a special purpose financial report of Enspire Australia Pty Ltd (the company), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company at the year's end or during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the need of the members. The directors' responsibility also includes such internal controls as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Enspire Australia Pty Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

DAVID JAFFE

CHARTERED ACCOUNTANTS

Opinion

In our opinion the financial report of Enspire Australia Pty Ltd is in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the entity's financial positions as at 30 June 2016 and of their performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001;

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



D. L. Jaffe
Registered Company Auditor
ASIC Registration: 8559
Melbourne, Victoria
Date: