WiseTech Global Pty Limited and controlled entities

ABN 41 065 894 724
Financial Statements for the year ended 30 June 2013

Contents

Directors' report

Your directors present their report on the company and its controlled entities ("Group") for the financial year ended 30 June 2013.

Directors

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

Richard John White
Charles Llewelyn Gibbon
Michael John Gregg
Maree McDonald Isaacs

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

Company Secretary

The company secretaries at the end of the financial year were Maree McDonald Isaacs, John William Vassar and Adam David Kossak.

Operating results

The profit of the Group for the financial year after providing for income tax amounted to $4,677,186 (2012: $3,005,871), a year on year increase of 55.6%.

Review of operations

Group revenue from operating activities for the financial year was $44,763,533, an increase of 31.6% from $34,016,281 in the previous year. This result was recorded despite the persistent strength of the Australian dollar and substantial completion of the switch away from a one-time license revenue model to a recurring revenue offering. The recurring revenue model with ODPL has now been in place for five years. During the year, the one-time license offering was withdrawn from the general market, in favour of the ODPL SaaS model.

On 1 July 2012, the Group acquired 100% of the issued capital of Translogix Holdings Pty Limited and its controlled entities for a total sum of $16,000,000, represented by the acquisition cost of $12,176,821, plus the settlement of debt of $3,823,179.

Significant changes in state of affairs

Other than the acquisition of Translogix Holdings Pty Limited, there were no significant changes in the Group's state of affairs occurred during the financial year.

Principal activities

The principal activities of the Group during the financial year were the development, sale and implementation of packaged software for logistics service providers, including freight forwarders, customs brokers, containerised freight stations, ship agents, warehouses and cartage, and a hosting service.

No significant change in the nature of these activities occurred during the year.

Events subsequent to the end of the reporting date

Subsequent to the financial year, the Group announced to certain staff members that they would be issued shares as part of their remuneration package. The total value of the issue is $1,307,120. The shares were to be issued evenly over a 3 year period commencing in August 2013 with the remaining shares being issued in August 2014 and August 2015. Shares vest on the date of issue.

Other that the issue noted above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Future development, prospects and business strategies

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Dividends paid or recommended

Fully franked dividends of 0.83 cents per share were paid during the year as recommended in last year's report.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnifying officers or auditor

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Group.

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

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 on page 6 and forms part of this directors' report.

Signed in accordance with a resolution of the Board of Directors:

Richard John White
Director

Charles Llewelyn Gibbon
Director

Dated this 20th day of November 2013

Grant Thornton

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Auditor's Independence Declaration
To the Directors of WiseTech Global Pty Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of WiseTech Global Pty Limited for the year ended 30 June 2013, 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.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

LJ Corder

L J Corder
Partner - Audit & Assurance

Sydney, 20 November 2013

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2013

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
Revenue	2	44,381,372	33,316,662
Other income	2	382,161	699,619
Materials and external services used	3	(647,221)	(527,340)
Employee benefits expense		(26,776,373)	(19,148,007)
Depreciation and amortisation expenses		(4,126,991)	(3,935,640)
Facilities and equipment		(3,237,870)	(2,041,592)
Travel		(880,542)	(887,827)
Other expenses		(2,454,630)	(2,307,473)
Finance costs	3	(710,151)	(98,213)
Profit before income tax		5,929,755	5,070,189
Income tax (expense)/benefit	4	(1,252,569)	(2,064,318)
Profit for the year		**4,677,186**	**3,005,871**
Other comprehensive income:			
Exchange differences on translation of foreign operations		217,815	70,361
Other comprehensive income for the year, net of income tax		**217,815**	**70,361**
Total comprehensive income for the year		**4,895,001**	**3,076,232**
Attributable to members of the parent entity		4,895,001	3,076,232

Statement of financial position

As at 30 June 2013

	Note	Consolidated Group 2013 $	2012 $
Current assets			
Cash and cash equivalents	8	670,929	5,672,856
Trade and other receivables	9	3,993,148	4,239,097
Other assets	10	1,921,750	1,100,719
Total current assets		6,585,827	11,012,672
Non-current assets			
Property, plant and equipment	11	2,027,787	1,579,651
Deferred tax assets	15	3,661,989	3,018,042
Intangible assets	12	36,541,320	16,607,489
Other assets	10	1,065,802	504,010
Total non-current assets		43,296,898	21,709,192
Total assets		49,882,725	32,721,864
Current liabilities			
Trade and other payables	13	2,701,264	1,743,364
Borrowings	14	1,112,366	1,104,451
Provisions	16	2,846,664	1,811,410
Deferred revenue	17	10,171,832	8,997,609
Other liabilities	18	1,882,353	-
Total current liabilities		18,714,479	13,656,834
Non-current liabilities			
Borrowings	14	6,079,962	144,921
Deferred tax liabilities	15	7,002,941	4,222,487
Provisions	16	666,037	370,722
Other liabilities	18	24,833	158,715
Total non-current liabilities		13,773,773	4,896,845
Total liabilities		32,448,252	18,553,679
Net assets		17,394,473	14,168,185
Equity			
Issued capital	20	7,790,439	7,437,461
Reserves	22	(334,961)	(552,776)
Retained earnings		9,938,995	7,283,500
Total equity		17,394,473	14,168,185

Statements of changes in equity

For year ended 30 June 2013

	Note	Ordinary Shares $	Retained earnings $	Foreign Currency Translation Reserve $	Total $
Consolidated Group					
Balance at 1 July 2011		6,793,060	6,277,640	(623,137)	12,447,563
Profit attributable to members of the parent entity		-	3,005,871	-	3,005,871
Shares issued during the year		583,750	-	-	583,750
Shares bought back during the year		(187,500)	-	-	(187,500)
Options exercised during the year		248,151	-	-	248,151
Exchange differences on translating foreign operations		-	-	70,361	70,361
Sub-total		644,401	3,005,871	70,361	3,720,633
Dividends paid or provided for	7	-	(2,000,011)	-	(2,000,011)
Balance at 30 June 2012		7,437,461	7,283,500	(552,776)	14,168,185
Balance at 1 July 2012		7,437,461	7,283,500	(552,776)	14,168,185
Profit attributable to members of the parent entity		-	4,677,186	-	4,677,186
Shares issued during the year		352,978	-	-	352,978
Exchange differences on translating foreign operations		-	-	217,815	217,815
Sub-total		352,978	4,677,186	217,815	5,247,979
Dividends paid or provided for	7	-	(2,021,691)	-	(2,021,691)
Balance at 30 June 2013		7,790,439	9,938,995	(334,961)	17,394,473

Statement of cash flows

For year ended 30 June 2013

	Note	Consolidated Group 2013 $	2012 $
Cash flows from operating activities			
Receipts from customers		52,931,628	38,238,575
Payments to suppliers and employees		(39,206,047)	(27,284,066)
Interest received		23,361	128,697
Finance costs		(558,382)	(98,213)
Income tax refund / (paid)		(10,373)	(31,442)
Net cash provided by operating activities	21	13,180,187	10,953,551
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,006,249)	(1,130,713)
Payments for intangibles		(7,040,290)	(6,113,908)
Advance – software development		(454,275)	(437,765)
Acquisition of subsidiaries		(10,029,256)	(323,831)
Net cash used in investing activities		(18,530,070)	(8,006,217)
Cash flows from financing activities			
Proceeds from issue of shares		352,978	583,750
Share buy-back payment		-	(187,500)
Proceeds from borrowings		5,935,041	-
Repayment of borrowings		(3,918,372)	(732,400)
Dividends paid		(2,021,691)	(2,000,011)
Net cash used in financing activities		347,956	(2,336,161)
Cash flows from other activities			
Effect of exchange rates on cash holdings in foreign currencies		-	30,770
Net cash used in other activities		-	30,770
Net increase/(decrease) in cash held		(5,001,927)	641,943
Cash and cash equivalents at beginning of financial year		5,672,856	5,030,913
Cash and cash equivalents at end of financial year	8	670,929	5,672,856

Notes to the financial statements

1 Statement of significant accounting policies

The financial statements cover WiseTech Global Pty Limited as an individual parent entity and WiseTech Global Pty Limited and its controlled entities as a consolidated entity ("Group"). WiseTech Global Pty Limited is a company limited by shares, incorporated and domiciled in Australia. It is a for-profit entity for the purpose of preparing financial statements.

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The consolidated financial statements for the year ended 30 June 2013 (including comparatives) were authorised for issue by the directors on 20 November 2013.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

New and amended standards adopted by the Company

The Company has adopted the following revisions and amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Company's financial statements for the annual period beginning 1 July 2012.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (Applies annual reporting periods beginning on or after 1 July 2012)

AASB 2011-9 requires entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently, and changes the title of 'statement of comprehensive income' to 'statement of profit or loss and other comprehensive income'.

The adoption of the new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Company's accounting policies or the amounts reported during the current half-year period. The adoption of AASB 2011-9 has resulted in changes to the Company's presentation of its financial statements.

AASB 1053 Application of Tiers of Australian Accounting Standards (AASB 1053) and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

AASB 1053 establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:
a) Tier 1: Australian Accounting Standards; and

b) Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.
The following entities apply Tier 1 requirements in preparing general purpose financial statements:
a) for-profit entities in the private sector that have public accountability; and
b) the Australian Government and State, Territory and Local Governments.

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:
a) for-profit private sector entities that do not have public accountability;
b) all not-for-profit private sector entities; and
c) public sector entities other than the Australian Government and State, Territory and Local Governments.

Consequential amendments to other standards to implement reduced disclosure requirements were introduced by AASB 2010-2.

The entity is a Tier 2 entity and therefore eligible to apply the Reduced Disclosure Requirements. The entity has adopted the Reduced Disclosure Requirements.

Accounting standards issued but not yet effective and not been adopted early by the Company

AASB 9 Financial Instruments

The AASB aims to replace AASB 139 Financial Instruments: Recognition and Measurement in its entirety. The replacement standard (AASB 9) is being issued in phases. To date, the chapters dealing with recognition, classification, measurement and de-recognition of financial assets and liabilities have been issued. These chapters are effective for annual periods beginning 1 January 2015. Further chapters dealing with impairment methodology and hedge accounting are still being developed.

Management have yet to assess the impact of this amendment is likely to have on the financial statements of the Group. However, they do not expect to implement the amendments until all chapters of AASB 9 have been published and they can comprehensively assess the impact of all changes.

Consolidation Standards

AASB 10 establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation – Special Purpose Entities. The revised control model broadens the situations when an entity is considered to be controlled by another entity and includes additional guidance for applying the model to specific situations, including when acting as an agent may give control, the impact of potential voting rights and when holding less than a majority voting rights may give 'de facto' control. This is likely to lead to more entities being consolidated into the group. When this standard is first adopted for the year ended 30 June 2014, there will be no impact on the transactions and balances recognised in the financial statements.

AASB 11 Joint Arrangements (AASB 11)

AASB 11 supersedes AASB 131 Interests in Joint Ventures (AASB 131). It aligns more closely the accounting by the investors with their rights and obligations relating to the joint arrangement. It introduces two accounting categories (joint operations and joint ventures) whose applicability is determined based on the substance of the joint arrangement. In addition, AASB 131's option of using proportionate consolidation for joint ventures has been eliminated. AASB 11 now requires the use of the equity accounting method for joint ventures, which is currently used for investments in associates. When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the entity already uses the equity accounting method.

AASB 12 Disclosure of Interests in Other Entities (AASB 12)

AASB 12 integrates and makes consistent the disclosure requirements for various types of investments, including unconsolidated structured entities. It introduces new disclosure requirements about the risks to which an entity is exposed from its involvement with structured entities.

AASB 127 Separate Financial Statements (AASB 127) and AASB 128 Investments in Associates and Joint Ventures (AASB 128)

As a consequence of issuing AASB 10, AASB 11 and AASB 12, revised versions of AASB 127 and AASB 128 have also been issued. AASB 127 now only deals with separate financial statements. AASB 128 incorporates the requirements in Interpretation 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers, and guidance relating to the equity method for associates and joint ventures.

When these revised standards are adopted for the first time for the financial year ending 30 June 2014, there will be no impact on the financial statements because they introduce no new requirements.

AASB 13 Fair Value Measurement (AASB 13)

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. There is not expected to be a significant impact on the financial statements upon the introduction of this standard

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

In March 2013, the Australian government released Corporations Legislation Amendment Regulation 2013 which proposed to insert these disclosures into Corporations Regulations 2001 to ensure the disclosure requirements continue to be operative for financial years commencing on or after 1 July 2013. The closing date for submissions was 10 May 2013.

When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

AASB 2011-7 makes various consequential amendments to Australian Accounting Standards arising from AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011).

When these amendments are first adopted for the year ending 30 June 2014, they are unlikely to have any significant impact on the entity given that they are largely of the editorial nature.

AASB 119 Employee Benefits

The main changes to this standard include:

- Elimination of the 'corridor' approach for deferring gains/losses for defined benefit plans
- Actuarial gains/losses on remeasuring the defined benefit plan obligation/asset to be recognised in OCI rather than in profit or loss, and cannot be reclassified in subsequent periods
- Subtle amendments to timing for recognition of liabilities for termination benefits
- Employee benefits 'expected to be settled' (as opposed to 'due to be settled' under current standard) within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used within 12 months of end of reporting period will in future be discounted when calculating leave liability.

The entity does not have any defined benefit plans. Therefore, these amendments will have no significant impact on the entity.

Significant accounting policies

a. Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. The accounting policies have been consistently applied, unless otherwise stated.

The consolidated financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

b. Principles of Consolidation

The Group financial statements consolidated those of the parent company and all of its controlled entities. A controlled entity is any entity that WiseTech Global Pty Limited has the power to control the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 28 to the financial statements. All controlled entities have a June financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are cognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

c. Business Combination

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill is carried at cost less accumulated impairment losses.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

d. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

WiseTech Global Pty Limited and its wholly-owned Australian subsidiary have formed an income tax consolidated entity under the tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2008. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

e. Taxation of financial arrangements

Legislation is in place which changes the tax treatment of financial arrangements including the tax treatment of hedging transactions. The Group has assessed the potential impact of these changes on the Group's tax position and these are not considered to be significant. No impact has been recognised and no adjustments have been made to the deferred tax and income tax balances at 30 June 2013 (2012: $Nil).

f. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Plant and equipment also includes items held under a finance lease.

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 and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	5%-65%
Leasehold improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period date.

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.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

g. Leases

Finance Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised by recording at inception, an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating Leases

All other leases are treated as operating leases. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

h. Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Intangibles

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised.

Goodwill is carried at cost less accumulated impairment losses.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ("full goodwill method") or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ("proportionate interest method"). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective notes to these financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the non-controlling interest is recognised in the consolidated financial statements.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, which represents the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is estimated at 10 years, except Learning and Development which is amortised over 5 years.

j. Financial Instruments

Initial recognition and measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- financial assets at fair value through profit or loss (FVTPL)
- loans and receivables
- held-to-maturity (HTM) investments
- available-for-sale (AFS) financial assets.

Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Group's intention to hold these investments to maturity. Held-to-maturity investments held by the Group are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118 Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using the probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a 12 month period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition

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

k. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Foreign Currency Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year end exchange rates are recognised in profit or loss.

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period, where this approximates the rate at the transaction date.
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

l. Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

m. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of amounts required to settle the obligation at the end of the reporting period.

n. Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

o. Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Other components of equity includes foreign currency translation reserve which comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into AUD

Retained earnings includes all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

p. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Software licence fee and software usage revenue

Revenue received in advance for software licence fees and software usage rental is recognised over the period of the usage. However, to the extent that the Group has fulfilled all its obligations under the contract, the licence income is recognised as being earned at the time when all of the Group's obligations under the contract have been fulfilled.

(ii) Maintenance and support revenue

Unearned income is recognised over time as it is earned. However, to the extent that the Group has fulfilled all its obligations under the contract, the income is recognised as being earned at the time when all of the Group's obligations under the contract have been fulfilled.

(ii) Services and training revenue

Revenue from a contract to provide consulting and training services is recognised by reference to the percentage of completion of the contract. The percentage of completion of the contract is determined by reference to the proportion of work performed (costs incurred to date) to estimated total work performed (total contract costs). When the percentage of completion cannot be estimated reliably, contract revenue is recognised only to the extent of the contract costs incurred that are likely to be recovered. An expected loss on a contract is recognised immediately in the Statement of Comprehensive Income at inception.

(iv) Sales of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

(v) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

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

q. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

r. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

s. Goods and Services Tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

t. Comparative Figures

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

u. Critical accounting estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key estimates — Impairment

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

Key estimates — Employee Benefits

Management judgment is applied in determining the following key assumptions used in the calculation of long service leave at reporting date:

- Future increases in wages and salaries
- Future on-cost rates and
- Experience of employee departures and period of service.

Key judgements– internally generated intangible assets – research and development expenditure

The Directors make judgements in assessing projects as between research and development. In addition, the Directors determine that the projects are technically feasible and saleable in order to recognise the development costs as an intangible asset.

The Directors also estimate the useful life of each project for amortisation purposes.

2 Revenue

	Consolidated Group	
	2013	2012
	$	$
Revenue and Other Income		
Sales revenue		
- Software licences and services	44,381,372	33,316,662
Other revenue		
- interest received	20,772	147,023
- other income	361,389	552,596
	382,161	699,619
Total Revenue	44,763,533	34,016,281

3 Result for the year

The result for the year has been arrived at after crediting/(charging) the following items:

a. Expenses		
Materials and external services used	647,221	527,340
Rental expense on operating leases	1,908,170	1,081,659
b. Finance costs:		
Interest expense	710,151	98,213
Total finance costs	710,151	98,213

4 Income Tax Expense

a. The components of tax expense/(benefit) comprise:		
Current tax	-	-
Deferred tax	917,109	1,963,445
Recoupment of prior year tax losses	-	118,873
Over/(Under) provision in respect of prior year	-	(10,286)
Other	335,460	(7,714)
	1,252,569	2,064,318

b. The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit before income tax at 30% (2012: 30%)		
- consolidated entity	1,778,927	1,521,057
Add:		
Tax effect of:		
- non-deductible depreciation and amortisation	218,659	618,486
- non-deductible other expenses	10,429	5,768
- employee share trust expense	21,999	27,000
- reversal of deferred tax asset for Intellectual property	-	543,501
Less:		
Tax effect of:		
- impact of different tax rates for overseas subsidiaries	-	48,753
- recoupment of prior year tax losses not previously brought to account	-	-
- research and development	(679,551)	(689,961)
- other non-allowable items	(97,894)	(10,286)
Income tax expense/(benefit)	1,252,569	2,064,318

5 Key Management Personnel Compensation

The Key Management Personnel includes the Board of Directors, Senior Management Team and Company Secretary. Total number of people included is 13 in 2012 and 12 in 2013. There were a number of share bonuses granted. The key management personnel compensation included within employee expenses is:

	Short-term benefits	Termination benefits	Post-employment benefit	Other long-term benefits	Total
	$	$	$	$	$
2013					
Total compensation	1,895,392	-	-	340,000	2,236,392
2012					
Total compensation	2,160,730	52,732	-	306,250	2,519,712

6 Auditors' Remuneration

	Consolidated Group 2013 $	Consolidated Group 2012 $
Remuneration of the auditor of the parent entity for:		
- auditing the financial statements	143,500	90,500
- taxation services	11,000	12,000
	154,500	102,500
Remuneration of auditors of subsidiaries for:		
- auditing or reviewing the financial statements of subsidiaries	76,000	62,000
Total auditor's remuneration	230,500	164,500

7 Dividends

	2013	2012
Distributions paid:		
Declared fully franked ordinary dividend of 0.83 (2012: 0.83) cents per share	2,021,691	2,000,011
Balance of franking account at year end	1,320,266	-

8 Cash and Cash Equivalents

	2013	2012
Cash on hand	2,279	2,182
Cash at bank	662,284	5,655,038
Short-term bank deposits	6,366	15,636
	670,929	5,672,856

The effective interest rate on bank accounts was 2.85% (2012: 4.45%).

9 Trade and Other Receivables

	Consolidated Group 2013 $	Consolidated Group 2012 $
Current		
Trade receivables	3,868,554	4,158,702
Provision for impairment	(37,846)	(16,359)
	3,830,708	4,142,343
Deposits	162,440	96,754
Other receivables	-	-
Total current trade and other receivables	3,993,148	4,239,097

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. The Group does not hold any collateral as security over any receivable balance, nor does it hold any restrictions of title.

a Allowance for impairment of receivables

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the Other Expenses item.

b **Foreign currency risk**

The carrying amounts of the Group's and parent entity's current and non-current receivables are denominated in the following currencies:

	Consolidated Group	
	2013	**2012**
US dollar	539,515	1,023,117
British Pound	314,800	491,282
New Zealand dollar	379,533	47,802
Hong Kong dollar	42,214	100,181
Singapore dollar	161,907	351,611
Canadian dollar	28,811	23,979

10 Other Assets

Current	$	$
Accrued income	1,340,081	834,463
Prepayments	580,942	185,885
Other	727	80,371
	1,921,750	1,100,719
Non-Current		
Advance – software development	940,208	485,933
Other	125,594	18,077
	1,065,802	504,010

11 Property, Plant and Equipment

Plant and equipment		
At cost	3,834,235	3,381,626
Accumulated depreciation	(2,615,404)	(2,687,325)
	1,218,831	694,301
Leasehold improvements		
At cost	997,560	991,607
Accumulated depreciation	(188,604)	(106,257)
Total plant and equipment	808,956	885,350
Total property, plant and equipment	2,027,787	1,579,651

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment $	Leasehold Improvements $	Total $
Consolidated Group			
Balance at 1 July 2011	823,714	190,872	1,014,586
Additions	354,759	778,076	1,132,835
Disposals	-	-	-
Depreciation expense	(484,172)	(83,598)	(567,770)
Balance at 30 June 2012	694,301	885,350	1,579,651
Additions	1,223,689	34,584	1,258,273
Disposals	(243,063)	-	(243,063)
Depreciation expense	(456,096)	(110,978)	(567,074)
Carrying amount at 30 June 2013	1,218,831	808,956	2,027,787

12 Intangible Assets

	Consolidated Group 2013	2012
	$	$
Goodwill		
Cost	11,103,855	927,497
Accumulated impairment losses	(63,383)	(63,383)
Net carrying value	11,040,472	864,114
Development costs		
Cost	22,125,939	15,091,824
Accumulated amortisation	(3,286,959)	(1,294,117)
Net carrying value	18,839,080	13,797,707
Intellectual property		
Cost	7,112,643	5,809,943
Accumulated amortisation and impairment	(4,930,412)	(3,873,294)
Net carrying value	2,182,231	1,936,649
Computer software		
Cost	28,041	21,867
Accumulated amortisation and impairment	(20,089)	(12,848)
Net carrying value	7,972	9,019
Customer relationships		
Cost	4,974,400	-
Accumulated amortisation and impairment	(502,835)	-
	4,471,565	-
Total intangibles	36,541,320	16,607,489

	Goodwill	Development costs	Intellectual property	Computer software	Customer Relationships	Total
	$	$	$	$	$	$
Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year.						
Consolidated Group						
Balance at 1 July 2011	540,283	8,983,908	3,998,319	15,110	-	13,537,620
Additions	323,831	6,108,016	-	5,892	-	6,437,739
Amortisation expense	-	(1,294,217)	(2,061,670)	(11,983)	-	(3,367,870)
Balance at 30 June 2012	864,114	13,797,707	1,936,649	9,019	-	16,607,489
Additions	10,176,358	7,034,115	1,302,700	6,175	4,974,400	23,466,748
Amortisation expense	-	(1,992,742)	(1,057,118)	(7,222)	(502,835)	(3,559,917)
Carrying amount at 30 June 2013	11,040,472	18,839,080	2,182,231	7,972	4,471,565	36,541,320

13 Trade and Other Payables

	Consolidated Group 2013	2012
	$	$
Current		
Trade payables	920,269	138,378
Sundry payables and accrued expenses	1,780,995	1,604,986
	2,701,264	1,743,364

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

a Foreign currency risk

The carrying amount of the Group's and parent entity's current and non-current payables denominated in the foreign currencies is:

	Consolidated Group	
	2013	2012
US Dollar	268,217	211,188
British Pound	143,680	137,095
New Zealand Dollar	157,856	75,708
Hong Kong Dollar	3,220	-
Singapore Dollar	43,059	20,877
Canadian Dollar	6,632	3,600
Euro	-	122

14 Borrowings

Current	$	$
Bank overdraft	250,422	-
Finance lease liability	361,944	104,451
Bank bills	500,000	1,000,000
Total current borrowings	1,112,366	1,104,451

Non-current		
Finance lease liability	579,962	144,921
Related party loan	500,000	-
Bank bills	5,000,000	-
Total non-current borrowings	6,079,962	144,921

Bank bills, overdraft and equipment facilities

Bank bills, overdraft and equipment facilities have been provided by St George Bank, a division of Westpac Banking Corporation.

Bank bills have an expiry date of 20 July 2014 as such they are classified as non-current.

Bank bills are secured by fixed and floating charges over the whole of the Company assets including goodwill and uncalled capital.

The Group was in breach of bank covenants during the year. Agreement was reached with the bank on 12 June 2013 and the bank waived the breaches.

15 Taxation

	Consolidated Group	
	2013	2012
	$	$
Current		
Assets		
Income tax receivable	-	-
Liabilities		
Income tax payable	-	-

Non-current

	1 July 2011	Recognised against Goodwill	Recognised in profit and loss	30 June 2012
	$	$	$	$
Consolidated Group				
Deferred tax liabilities(assets):				
Software development costs	2,695,172	-	1,444,140	4,139,312
Deferred revenue	(1,387,138)	-	(394)	(1,387,532)
Provisions	(994,972)	-	387,190	(607,782)
Other	(273,725)	-	107,896	(165,829)
Unused tax losses	(867,768)	-	94,044	(773,724)
	(828,431)	-	2,032,876	1,204,445
Recognised as:				
Deferred tax asset	(3,523,603)			(3,018,042)
Deferred tax liability	2,695,172			4,222,487

	1 July 2012	Recognised against Goodwill	Recognised in profit and loss	30 June 2013
	$	$	$	$
Consolidated Group				
Deferred tax liabilities/(assets):				
Software development costs	4,139,312	-	1,512,412	5,651,724
Customer relationships	-	1,492,320	(150,851)	1,341,469
Deferred revenue	(1,387,532)	-	1,387,532	-
Provisions	(607,782)	(272,922)	(9,426)	(890,130)
Other	(165,829)	-	(303,681)	(469,510)
R&D rebate carried forward	-	-	(1,518,877)	(1,518,877)
Unused tax losses	(773,724)	-	-	(773,724)
	1,204,445	1,219,398	917,109	3,340,952
Recognised as:				
Deferred tax asset	(3,018,042)			(3,661,989)
Deferred tax liability	4,222,487			7,002,941

16 Provisions

	Consolidated Group	
	2013	2012
	$	$
Current		
Employee provisions	2,846,664	1,811,410
Non-current		
Employee provisions	666,037	370,722

The current portion of these liabilities represents WiseTech Global Pty Limited's obligations to which the employee has a current legal entitlement. These liabilities arise mainly from accrued annual leave entitlement at reporting date.

A provision has been recognised for employee benefits relating to long service leave for 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 upon historical data. The measurement and recognition criteria for employee benefits has been included in Note 1.

17 Deferred revenue

	Consolidated Group	
	2013	2012
	$	$
Current		
Deferred revenue	10,171,832	8,997,609

18 Other liabilities

	2013	2012
Current		
Deferred consideration	1,882,353	-
Non-current		
Other payables	24,833	-
Contingent consideration	-	158,715
Total non-current liabilities	24,833	158,715

19 Capital and Leasing Commitments

		Consolidated Group	
		2013	2012
		$	$
a	**Finance Lease Commitments**		
	Payable — minimum lease payments		
	- not later than 12 months	423,114	104,451
	- between 12 months and five years	706,094	144,921
		1,129,208	249,372
	Less future finance charges	(25,520)	(21,329)
	Present value of minimum lease payments	1,103,688	228,043

Finance leases for computer equipment, motor vehicles and leasehold improvements are for a period of 3 years. The leases are non-cancellable but do not contain any further restrictions.

		2013	2012
b	**Operating Lease Commitments**		
	Non-cancellable operating leases contracted for but not capitalised in the financial statements	$	$
	Payable — minimum lease payments		
	- not later than 12 months	2,054,069	1,335,046
	- between 12 months and five years	2,730,523	3,058,354
	- greater than five years	-	-
		4,784,592	4,393,400

The operating leases are for the group's premises and computer equipment for periods of 3 to 6 years.

20 Issued Capital

239,900,499 (2012: 239,666,739) fully paid ordinary shares	7,790,439	7,437,461

	2013 No.	2012 No.
a Ordinary Shares		
At the beginning of reporting period	239,666,739	31,469,320
Shares issued prior to share split – 1 July 2011		37,500
Issued post share split – 7 October 2011	-	236,301,156
Shares issued during year		
- 16 December 2011	-	583,750
- 20 August 2012	13,464	-
- 7 November 2012	103,788	-
- 20 December 2012	22,957	-
- 23 January 2013	16,556	-
- 24 January 2013	37,528	-
- 5 March 2013	6,357	-
- 15 March 2013	6,622	-
- 20 March 2013	22,074	-
- 15 April 2013	1,103	-
- 7 May 2013	3,311	-
Conversion of options to ordinary shares		
- 5 September 2011	-	659,333
- 8 September 2011	-	46,875
- 12 September 2011	-	93,750
- 14 September 2011	-	1,312,500
- 15 September 2011	-	281,250
- 16 September 2011	-	46,875
- 21 September 2011	-	46,875
- 25 September 2011	-	46,875
- 4 October 2011	-	93,750
- 7 October 2011	-	60,000
- 9 October 2011	-	281,250
Shares bought back during the year		
- 12 September 2011	-	(31,250)
- 14 September 2011	-	(93,750)
- 15 September 2011	-	(46,875)
- 16 September 2011	-	(15,625)
At reporting date	239,900,499	239,666,739

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

b Employee Share Trust

WiseTech Global Employee Share Trust ("EST") was introduced on 6th September 2011 for selected employees of the Group. Under the EST, ordinary shares in WiseTech Global Pty Ltd are purchased by the trust on grant date, using funds lent to it by the Company, and equivalent numbers of units in the trust are then allocated to participants.

The shares generally vest over a period of three years. If the individual is still employed by the Group on each vesting date, the employee is given a non-recourse loan by the Trust which is used to purchase the equivalent number of trust units.

c Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

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. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Share options	2013	2012
At the beginning of reporting period	-	456,661
Share options split – 7 October 2011	-	2,968,297
Forfeited in the period	-	(93,750)
Exercised in the period	-	(3,250,583)
Expired in the period	-	(80,625)
Cancelled in the period	-	-
Outstanding at the end of the reporting period	-	-
Exercisable at end of the reporting period	-	-

21 Cash Flow Information

	Consolidated Group 2013 $	2012 $
a) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	4,677,186	3,005,871
Non-cash flows in profit:		
- Depreciation	567,074	565,648
- Amortisation	3,559,917	3,367,870
- Unrealised foreign exchange losses	-	(30,770)
- Gain on disposal	243,063	-
- Movement in foreign exchange reserve	217,815	70,361
- Share based payment expense	-	248,151
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
- (Increase)/decrease in trade and term debtors	2,300,153	(150,884)
- (Increase)/decrease in other assets	(780,734)	(433,823)
- Decrease/(increase) in investments	(458,074)	20,920
- Decrease / (increase) in tax assets	151,675	505,561
- Increase in payables	(622,048)	653,944
- Increase/(decrease) in deferred taxes payable	1,561,056	1,527,315
- Increase /(decrease) in other liabilities	(328,901)	(114,329)
- Increase in deferred revenue	1,174,223	1,161,284
- Increase/(decrease) in provisions	917,782	556,432
	13,180,187	10,953,551

b) Non-cash investing activities

Included within non-cash investing activities is a deferred consideration of the balance payable on the acquisition of Translogix Holdings Pty Limited of $1,882,353.

22 Reserves

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

23 Events After the Reporting Date

Subsequent to the financial year, the Group announced to certain staff members that they would be issued shares as part of their remuneration package. The total value of the issue is $1,307,120. The shares were to be issued evenly over a 3 year period commencing in August 2013 with the remaining shares being issued in August 2014 and August 2015. Shares vest on the date of issue.

Other that the issue noted above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

24 Contingent assets and liabilities

There were no contingent liabilities that have been incurred by the Group in relation to 2013 or 2012.

25 Related party transactions

The Group's related parties include its associates and joint venture, key management, post-employment benefit plans for the Group's employees and others.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

26 Authorisation of financial statements

Information relating to the WiseTech Global Pty Limited consolidated financial statements for the year ended 30 June 2013 (including comparatives) were approved by the board of directors on 20 November 2013.

27 Parent entity information

Information relating to WiseTech Global Pty Limited, the parent entity:

	2013 $	2012 $
Statement of financial position		
Current assets	221,068	4,761,140
Total assets	**38,595,696**	**29,037,757**
Current liabilities	(5,745,697)	(7,550,293)
Total liabilities	**(11,251,476)**	**(8,050,751)**
Net assets	27,344,220	20,987,006
Issued capital	7,790,439	7,437,461
Retained earnings	19,553,781	13,549,545
	27,344,220	20,987,006
Statement of comprehensive income		
Profit for the year	6,004,236	3,215,849
Other comprehensive income	-	-
Total comprehensive income	6,004,236	3,215,849

The parent entity has no capital commitments at 30 June 2013 (2012: $Nil).

The parent entity has not entered into a deed of cross guarantee nor are there any contingent liabilities at year end.

28 Controlled Entities

	Country of Incorporation	Percentage Owned (%) 2013	2012
Parent entity			
WiseTech Global Pty Limited	Australia		
Subsidiaries			
CargoWise Pty Limited	Australia	100	100
- CargoWise (Australia) Pty Limited	Australia	100	100
- CargoWise (Canada) Limited	Canada	100	100
- CargoWise (NZ) Limited	New Zealand	100	100
- CargoWise (HK) Limited	Hong Kong	100	100
- WiseTech (Shanghai) Technology Ltd	China	100	-
- CargoWise (Singapore) Limited	Singapore	100	100
- CargoWise (UK) Limited	UK	100	100
- CargoWise Inc	USA	100	100
- CargoWise GmbH	Germany	100	100
eHealthWise Pty Limited	Australia	100	100
- eHealthWise Services Pty Limited	Australia	100	100
Translogix Holdings Pty Limited	Australia	100	-
Translogix International Pty Limited	Australia	100	-
Advanta Software Pty Limited	Australia	100	-

29 Acquisitions

On 1 July 2012 the Group acquired 100% of Translogix Holdings Pty Limited, thereby obtaining control. The details of the acquisition are as follows:

	$
Acquisition price	16,000,000
Settlement of debt	(3,823,179)
Total consideration	12,176,821
Amount settled in cash in 2013 financial year	10,025,306
Fair value of deferred consideration	1,882,353
Total fair value consideration	11,907,659
Recognised amounts of identifiable net assets	
Cash and cash equivalents	79,781
Trade and other receivables	2,054,204
Other assets	147,813
Current tax assets	151,675
Total current assets	2,433,473
Property, plant and equipment	252,024
Intangible assets	6,277,100
Deferred tax assets	185,873
Total non-current assets	6,714,997
Trade and other payables	1,663,678
Borrowings	2,778,109
Provisions	412,786
Current liabilities	4,854,573
Provisions and contingent liabilities	195,019
Deferred tax liabilities	1,219,398
Other liabilities	1,148,179
Total non-current liabilities	2,562,596
Net identifiable assets and liabilities	1,731,301
Goodwill on acquisition	**10,176,358**
Consideration transferred settled in cash	10,025,306
Cash and cash equivalents acquired	(79,781)
Net cash outflow on acquisition	**9,945,525**
Acquisition costs charged to expenses	83,731
Net cash paid relating to the acquisition	**10,029,256**

Consideration transferred

The acquisition price for TransLogix Holdings Pty Limited was $16 million, which included external debt of $3,823,179, which was fully retired on the date of acquisition. The acquisition was effective from 1 July 2012 following an initial cash payment of $9 million.

The purchase agreement included additional consideration of 2 deferred payments on 1 January 2013 and 1 July 2013 for $5m and $2m respectively. The Directors assessed that the deferred payments will be required and therefore have included in the cost of acquisition. Deferred consideration has been present valued as at the date of the transaction.

Acquisition-related costs amounting to $83,731 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of 'other expenses.'

30 Company Details

The registered office and principal place of business of the company is:

WiseTech Global Pty Limited
Unit 3a
72 O'Riordan Street
ALEXANDRIA NSW 2015

Directors' declaration

In the opinion of the directors:

1. The consolidated financial statements and notes of WiseTech Global Pty Ltd as set out on pages 6 to 37, are in accordance with the Corporations Act 2001 including:

   a giving a true and fair view of the financial position as at 30 June 2013 and of its performance for the year ended on that date; and

   b complying with Australia Accounting Standards Reduced Disclosure Regime (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that WiseTech Global Pty Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Richard John White
Director

Charles Llewelyn Gibbon
Director

Dated this 20th day of November 2013

Grant Thornton

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Independent Auditor's Report
To the Members of WiseTech Global Pty Limited

We have audited the accompanying financial report of WiseTech Global Pty Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view of the financial report in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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.

Auditor's opinion

In our opinion: the financial report of WiseTech Global Pty Limited is in accordance with the Corporations Act 2001, including:

a. giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

b. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L J Corder
Partner - Audit & Assurance

Sydney, 20 November 2013