PLEXURE

2019 Annual Report

For the year ended 31 March 2019

What We Do

Plexure has developed an intelligent technology platform that powers mobile marketing, helping brands create world-class customer engagement. We make the sales process for physical retailers seamless, engaging and profitable by identifying where customers are, what they want and then facilitating their purchases. Our technology delivers increases in purchase frequency, average basket value, impulse visits and customer lifetime value, which are all key metrics for retailers.

These product and service capabilities cover:

- Next generation loyalty programmes
- Personalised offers
- Analytics and Insights
- Mobile order and pay
- Artificial intelligence and machine learning
- App design and development
- Customer data management
- Marketing strategy and CRM consulting
- System integration consulting

2019 Highlights

$16.9m Total revenue Up from $11.8m, an increase of 44% over the year to 31 March 2019	**$3.9m** Cashflow from operating activities Up from $2.6m, an increase of 48% over the year to 31 March 2019
$7.3m Cash at bank Up from $4.1m, an increase of 77% over the year to 31 March 2019	**110m** Users on the platform Up from 85m, an increase of 29% over the year to 31 March 2019
$0.7m Net loss after tax Down from $1.7m, a decrease of 58% over the year to 31 March 2019. This includes the convertible note expense of $1.7m	**49** Active countries Up from 32, an increase of 53% over the year to 31 March 2019
$5.4m McDonald's purchased 9.9% equity stake* Representing a 15% premium over the average price of Plexure's shares during March 2019 *Transaction settled on 2 April 2019	

PLEXURE

Chairman’s Review

For the Year Ended 31 March 2019

Chairman’s Review

Dear Shareholders

Overview

Financial Year 2019 has been Plexure’s most successful year to date. The Company’s trading performance has improved dramatically: without the impact of the convertible note we would have delivered our maiden profit and we are cash flow positive from operating activities for the second successive year. Customer usage is at record levels with 110 million users on our app at year-end. This has driven revenues to a new high of $16.9m and at year-end we had $7.3m in the bank.

Our confidence in the business has been matched by our major customer, McDonald’s, who shortly after balance date purchased a 9.9% equity stake in the Company at a premium to the then current market price. This strategic investment by McDonald’s will assist Plexure develop its offerings and market presence for McDonald’s and other customers.

Financial Performance

Our financial results for Financial Year 2019 were very pleasing. Highlights included:

- Revenue increased by 44% to $16.9m
- After removing the impact of the convertible note, a Net Profit After Tax (NPAT) of $0.948m
- Cash at bank and term deposits at 31 March 2019 of $7.3m (excluding the proceeds of McDonald’s post-balance date investment)

This improvement in the Company’s trading performance, coupled with the McDonald’s investment of $5.4m, has been well received by the market and, as a consequence, the Company’s market capitalisation has increased significantly in the early part of our 2020 financial year.

Opportunities available to the Company are growing and the Board will use its increased cash resources, which total approximately $12.7m post the McDonald’s investment, to invest in its product roadmap, technology platform and existing and new customer development.

Business Strategy

The Company’s goal is to be a world leader in the mobile application software sector and the investment by McDonald’s is a solid validation that we are well on the way to achieving this goal.

Since the refresh of our management team 18 months ago, we have focused our attention on profitable growth and have achieved a major transformation in the Company’s financial performance. This has been accomplished through a combination of improved management of existing customers, new business development, operating cost containment and driving value from the existing technology platform.

We have now reached the next stage in our strategy evolution and in the year ahead will expand the business further. We anticipate deepening our relationship with McDonald’s, which will see us offering additional products and services to them in currently served and new markets. Our new business pipeline has also matured in recent months and we look forward to securing new customers in a variety of markets in FY20.

Given the cash resources the Company now has available, the Board may also consider acquisitions to accelerate its organic growth strategy, secure new technologies or source pools of talent.

Management and Employees

Under our CEO Craig Herbison's leadership, we have strengthened our management team and they have responded in an outstanding fashion to the challenges of the business transformation, delivering a result the Board is proud of.

We aim to pay management fairly and their remuneration includes short-term cash incentives and long-term equity linked incentives. The skills we require are sought after globally and the Board has been careful to design reward structures that are aligned with long-term shareholder wealth creation.

Plexure has a very diverse employee base with a blend of gender, nationalities, ethnicities and religion, which creates a rich and vibrant culture within the business. Women still remain under-represented in all areas of the Company and the Board remains committed to addressing, to the extent it can, this gender imbalance.

Governance

During the year, there were a number of changes to the composition of the Board. Scott Bradley, the Company's founder, resigned in May 2018 and in August 2018, Tim Cook also resigned. We thank them both for their valuable service.

In June 2018, Craig Herbison was appointed to the Board to replace Scott Bradley and in early April 2019 following year-end, Robert Bell was appointed as a replacement for Tim Cook. Robert, a Chartered Accountant, is an experienced businessman and director with a background in finance, sales and operations. He will Chair the Audit and Risk Management Committee.

The Board is very active and engaged in oversight of the Company and its strategy. Among the Directors, there is a strong combination of industry expertise, operations, finance, technology development, international business development, strategy formulation and governance experience.

Outlook

The Board continues to be optimistic about the prospects for the Company and feels confident that its growth strategy will deliver very positive results for FY20 and beyond.

We appreciate your support as shareholders and we are very conscious of our obligations to you for the future successful performance of our company.

Phil Norman

Phil Norman
Chairman

CEO'S Review

For the Year Ended 31 March 2019

CEO's Review

FY19 was an excellent year for Plexure and marks my second year as CEO.

Our customer focus saw 44% revenue growth, a maiden profit at the half-year and a tripling of market capitalisation at year-end. McDonald's, our major customer gave us the ultimate vote of confidence by taking a 9.9% equity stake in the business immediately following balance date and we saw our reach extend to over 110 million end users on our platform in 49 countries worldwide.

Our three-horizon transformation strategy is well into its third phase of 'Execute for Growth' having delivered the first two horizons of 'Stabilise for Growth' in late FY18 and 'Build Foundations for Growth' in the first half of FY19.

With our transformation in full swing we have invested in our product roadmap and enhancements to our proposition to support our ongoing growth and updated market positioning. We added new points earn and burn capability into our loyalty product and deployed this in four markets. We also built advanced analytics tools incorporating Artificial Intelligence (AI) and established a state-of-the-art security practice. We enhanced our regulatory data protection capabilities for customers in Europe with the General Data Protection Regulations (GDPR) and deployed Mobile Order and Pay in Japan. The business is rapidly maturing its proposition and market saliency.

A significant investment in our future has seen an increased spend on our platform's core technology to enable a multi-cloud approach, and further enhance our world-leading scalability and availability. A multi-cloud strategy is critical to address our full market opportunity, recognising that many mature prospective customers already have a cloud provider relationship.

In late 2018, we improved our go-to-market focus with a new US based sales team looking to increase our participation in the US mobile engagement market. This market is growing at a 43% Compound Annual Growth Rate (CAGR) and will be worth USD $38bn by 2023. Our proposition remains largely enterprise in focus due to the level of customisation required to deliver personalised solutions. We are currently seeing strong traction for our proposition with good Request for Proposal (RFP) activity and deal flow and are confident of adding new customers within the first half of FY20.

We have settled our new leadership team and grown our headcount in line with revenue growth. Structurally, we are well positioned for growth with new competencies now embedded in the business to enable a more mature and enterprise orientated execution. The global market for talent is challenging, however, our recruitment brand and culture has us well set to attract and hold good people.

We remained cash-flow positive from operating activities for the second year with our underlying business delivering strong, positive Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). We have also built healthy cash reserves of $7.3m from our operating activities. Commercially the business has never been in better shape.

Our customer focus sees us build solutions in concert with our customers and align tightly on transformation of their digital customer experiences. This drives new and improving revenue streams for them - all enabled by Plexure people and technology. In FY20 we will continue the strong momentum in our core business, deploying our cash reserves to enhance our proposition and serve our customers exceptionally.

I would like to thank the Board and our shareholders for their continued support, without whose confidence in the business our transformation and new momentum would not have been possible.

Craig Herbison
CEO

Financial Commentary

Key Achievements

- Continued revenue growth of 44%, up $5.136m from FY18.
- The net loss after tax reduced 58% to $0.703m from FY18. If the impact of the convertible note is removed, there would have been a profit after tax (non-GAAP) of $0.948m (FY18: loss of $0.411m).
- The Company had $7.250m of cash on hand at balance date (excluding the proceeds from the investment by McDonald's subsequent to year-end) and was cashflow positive from operating activities for the second successive year.
- A new executive team is in place and is very focused on executing on the Company's growth programme.

	2019	2018	Change	Change
	$'000s	$'000s	$'000s	%
Total revenue	16,891	11,755	5,136	44
Operating revenue	16,828	11,553	5,275	46
Net loss after tax	(703)	(1,666)	963	(58)
Cash at bank and short-term deposits	7,250	4,097	3,153	77
Staff (contractors and FTE's)	72	43	29	67

The year ended 31 March 2019 saw the Company build on the financial platform laid down in the previous year. Revenue continued to grow and although costs also grew this was a conscious choice by the Board and the Management team and was done in the context of the business remaining cashflow positive.

Plexure's strong revenue growth of 44%, or $5.136m, came from existing customers, with the majority of growth coming from McDonald's with a further 17 countries added in the year ended 31 March 2019. This was reflected in the growth in pure licensing revenue, which grew by 41%, or $2.834m to $9.702m. Licensing will continue to grow as we add new markets and new customers.

Consulting revenue, which includes support, consulting and paid development work increased by 55% or $2.480m to $6.987m. Consulting revenue tends to be one off in its nature, however, we have seen continued demand for our services assisting our customers with campaigns and paid platform development. We expect consulting revenue to continue to grow but anticipate a change in the mix with paid platform development decreasing while consulting on customer campaigns will continue to grow.

Operating expenses increased by 32%, or $3.866m during the year to $15.799m as we scaled for growth. Of this total increase of operating expenses, 71% or $2.873m came from an increase in staff and contractor costs. This increase in staff and contractor costs was in two main areas, namely technology and the customer team. The increase in technology headcount has enabled the business to focus further on security, stability and cost reduction in the platform. The customer team has been increased to enable us to better serve the ongoing growth in business from McDonald's and to prepare for the anticipated addition of new customers.

IT costs increased by 15% or $0.408m to $3.168m. These included platform hosting costs, which increased by 17% or $0.411m to $2.764m. During the year, users increased by 29%, yet the cost of operating the core platform only increased by 17%. This reflects the increased investment in technical staff who are focusing on improvements in the efficiency, stability and cost performance of the core platform.

Travel costs, office costs, and marketing costs also increased to support our customer growth.

Financial Commentary

For the Year Ended 31 March 2019

For the year ended 31 March 2019, the Company's total comprehensive loss decreased by 58% to $0.685m (2018: $1.617m). Of the total comprehensive loss of $0.685m, $1.651m relates solely to the close-out of the convertible note. Without the impact of the convertible note, the Company would have reported a comprehensive profit (non-GAAP) of $0.966m*.

Impact of Convertible Note

During the year ended 31 March 2019, all of the note holders chose to convert to equity on either the 4 April 2018 or 29 March 2019. As a result, the convertible note liabilities on the balance sheet have been extinguished and 13,942,171 shares have been issued at a price of 12 cents.

The close-out of the convertible note, plus the effective interest charged, resulted in a non-cash expense of $1.651m being recognised in the Profit and Loss Statement. If the impact of the convertible note is excluded (non-GAAP), the net loss attributable to shareholders (non-GAAP) of $0.703m would have been a net profit attributable to shareholders of $0.948m*. This compares to a prior year net loss attributable to shareholders of $0.411m, excluding the convertible note accounting* (calculated on the same basis).

Since the $1.6m convertible note was first signed in February 2017 a total cost of $2.886m has flowed through the Profit and Loss Statement.

Cash on Hand

Plexure continued to be cash flow positive with cash from operating activities being positive for the second successive year. The Company finished the year with cash and term deposits of $7.250m, an increase of 77%, or $3.153m over the previous year.

Subsequent Events

On 2 April 2019, McDonald's Corporation signed a new Software as a Service Agreement with the Company. On the same day, McDonald's purchased an equity stake of 9.9% in the Company for $5.4m representing a 15% premium over the volume-weighted average price of Plexure shares during March 2019.

*A reconciliation is provided in the supplementary financial information

Directors' Responsibility Statement

For the Year Ended 31 March 2019

Financial Statements

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which present fairly the financial position of the Group as at 31 March 2019 and the results of its operations and cash flows for the year ended on that date.

The Directors consider the financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Financial Statements are signed on behalf of the Board by:

Phil Norman
Chairman

Dated: 20 May 2019

Brian Russell
Director

Dated: 20 May 2019

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Deloitte.

Independent Auditor’s Report

To the Shareholders of Plexure Group Limited

Opinion

We have audited the consolidated financial statements of Plexure Group Limited and its subsidiaries (the ‘Group’), which comprise the consolidated statement of financial position as at 31 March 2019, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 12 to 40, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2019, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (‘NZ IFRS’) and International Financial Reporting Standards (‘IFRS’).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (‘ISAs’) and International Standards on Auditing (New Zealand) (‘ISAs (NZ)’). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

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

We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants’ *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor and the provision of taxation advice, we have no relationship with or interests in the Company or any of its subsidiaries. These services have not impaired our independence as auditor of the Company and Group.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the ‘quantitative’ materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the ‘qualitative’ materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $325,000 (2018: $320,000).

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition (Note 2(c) and Note 3) The Group's primary revenue arises from licensing and professional services, and totalled $16.83m (2018: $11.55m) for the year to 31 March 2019. The service agreements contain multiple elements such as license revenue, consulting revenue and other revenue. The revenue recognition for each of these different elements differ based on when the relevant service has been delivered to the customer and is normally after the revenue has been billed. This requires the Group to identify the value of the individual services being provided in the service agreements and allocate the revenue received across those services into the correct period to which the services relates (in accordance with NZ IFRS 15 Revenue ('NZ IFRS 15')). We have included the recognition of revenue as a key audit matter due to the significance of revenue to the measurement of the performance of the Group and the judgement made in determining which period the services are delivered.	As part of our audit we: • assessed a sample of contracts to ensure that revenue is recognised in line with NZ IFRS 15 and the group's amended accounting policy • assessed the salient contractual terms in the service agreements for conditions that impact the timing of revenue recognition in line with NZ IFRS 15 and in turn the completeness of deferred revenue • evaluated the Group's allocation of revenue to the various services provided under the contract.

Intangible Assets – Internally Developed Software
 	
(Note 2(c) and Note 15)
 	
As a software as a service provider the Group incurs significant expenditure in developing, maintaining and upgrading software.
 	
The Group has to exercise judgement in determining which costs associated with the software expenditure meet the criteria for capitalisation (as described in Note 2(c)) including whether the software will generate probable future economic benefits and be subsequently amortised under NZ IAS 38 Intangible Assets ('NZ IAS 38') rather than being expensed as incurred.
 	
Intangible assets relating to software had a carrying value of $3.3m (2018: $4.4m) at 31 March 2019, and there were additions of $0.6m (2018: $0.9m) for the year then ended.
 	
For internally developed software, we have included the assessment of the capitalisation criteria, the assessment whether the software will generate probable future economic benefits and indicators of impairment as a key audit matter due to the level of judgement involved.
	As part of our audit we:
	
	• assessed the Group's policy for determining whether software costs should be capitalised or expensed against the relevant accounting standards and performed a walk through to confirm our understanding of the Group's policy
	
	• selected a sample of the additions to internally developed software during the year and evaluated whether these additions were appropriately capitalised by:
	    • comparing the selected samples to relevant supporting documentation (such as supplier invoices, and employee records)
	    • evaluating whether the capitalisation of software meets the recognition criteria of the relevant accounting standards and Group's policy
	
	• challenged the Group's assessment that the costs capitalised will generate future economic benefits and challenged the Group's assessment of indicators of impairment.

Deloitte.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Andrew Boivin, Partner
for Deloitte Limited
Auckland, New Zealand
20 May 2019

Consolidated Statement of Comprehensive Income

For the Year Ended 31 March 2019

	Notes	2019 $'000	2018 $'000
Revenues			
Revenue from contracts with customers	3	16,828	11,553
Other income	4	63	202
Total revenue and other income		16,891	11,755
Expenses			
Wages and staff costs	5	(6,321)	(4,286)
Contractors		(1,813)	(975)
Travel costs		(581)	(450)
Office costs		(514)	(381)
Professional costs	6	(606)	(299)
Board fees		(166)	(189)
Marketing		(300)	(92)
IT costs	7	(3,168)	(2,760)
Other expenses	8	(448)	(463)
Depreciation	14	(108)	(101)
Amortisation	15	(1,774)	(1,937)
Operating expenses		(15,799)	(11,933)
Gain/(Loss) on derivative liability	18	(1,477)	(900)
Extinguish convertible note	18	-	(64)
Interest and other expense on derivatives	18	(174)	(291)
Financing expenses		(1,651)	(1,255)
Net loss before tax		(559)	(1,433)
Income tax expense	9(a)	(144)	(233)
Net loss after tax for the year attributable to the shareholders of the company		**(703)**	**(1,666)**
Other comprehensive income			
Exchange difference on translating foreign operations	19(c)	18	49
Total comprehensive loss for the year attributable to the shareholders of the company		(685)	(1,617)
Earnings per share			
Basic loss per share (cents)	20	(0.6)	(1.6)
Diluted loss per share (cents)	20	(0.6)	(0.3)

Calculated on a weighted average basis of the number of shares on issue.

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

Consolidated Statement of Changes in Equity

For the year ended March 2019

	Notes	Share Capital and Treasury Stock $'000	Foreign Currency Translation Reserve $'000	Share Based Payment Reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 April 2017		24,952	65	1,078	(22,303)	3,792
Net loss after tax	21	-	-	-	(1,666)	(1,666)
Exchange differences arising on translating foreign operations	19(c)	-	49	-	-	49
Total comprehensive loss		-	49	-	(1,666)	(1,617)
Transactions with owners						
Issue of share capital	19(a)	1,900	-	-	-	1,900
Capital raise fees	19(a)	(32)				(32)
Recognition of share based payments	19(b)	-	-	53		53
Share based payments on options vested but not exercised	19(b)	-	-	(830)	830	-
Balance at 31 March 2018		26,820	114	301	(23,139)	4,096
Balance at 1 April 2018		26,820	114	301	(23,139)	4,096
Net loss after tax	21	-	-	-	(703)	(703)
Exchange differences arising on translating foreign operations	19(c)	-	18	-	-	18
Total comprehensive loss		-	18	-	(703)	(685)
Transactions with owners						
Conversion of Convertible note	19(a)	4,481	-	-	-	4,481
Share buyback	19(a)	(21)	-	-	-	(21)
Shares issued way of exercising of share options	19(a)	8	-	(1)	-	7
Recognition of share based payments	19(b)	-	-	240	-	240
Share based payments on options vested but not exercised	19(b)	-	-	(125)	125	-
Balance at 31 March 2019		31,288	132	415	(23,717)	8,118

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

PLEXURE

Consolidated Statement of Financial Position

As at 31 March 2019

	Notes	2019 $'000	2018 $'000
Asset			
Current assets			
Cash and cash equivalents	10	1,179	4,097
Term deposits	11	6,071	-
Income tax receivable	9(b)	14	-
Trade and other receivables	12	2,635	1,431
		9,899	5,528
Less current liabilities			
Trade and other payables	16	1,344	751
Deferred revenue	17	3,888	2,446
Income tax payable	9(b)	-	27
Convertible notes	18	-	1,485
Derivative liability	18	-	1,351
Other liabilities		-	10
		5,232	6,070
Working capital		4,667	(542)
Non-current assets			
Property, plant & equipment	14	196	243
Intangible assets	15	3,255	4,401
		3,451	4,644
Non-current liabilities			
Other liabilities		-	6
		-	6
Total net assets		8,118	4,096
Equity			
Share Capital and Treasury Stock	19(a)	31,288	26,820
Share based payment reserve	19(b)	415	301
Accumulated losses	21	(23,717)	(23,139)
Foreign currency translation reserve	19(c)	132	114
Total equity		8,118	4,096

Signed on behalf of the Board by:

Phil Norman
Chairman

Dated: 20 May 2019

Brian Russell
Director

Dated: 20 May 2019

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

PLEXURE

Consolidated Statement of Cash Flows

For the year ended 31 March 2019

	Notes	2019 $'000	2018 $'000
Operating activities			
Cash was provided from (applied to):			
Receipts from customers		17,065	13,300
Marketing funding received		-	175
Interest received		63	10
Payment to suppliers and employees		(13,034)	(10,819)
Income tax paid		(195)	(32)
Net cash inflow from operating activities	26	3,899	2,634
Investing activities			
Cash was provided from (applied to):			
Term deposit investment	11	(6,071)	-
Disposal of property, plant and equipment		-	3
Purchase of property, plant and equipment		(117)	(128)
Capitalised development costs	15	(628)	(944)
Net cash outflow from investing activities		(6,816)	(1,069)
Financing activities			
Cash was provided from (applied to):			
Issue of ordinary shares	19	8	1,900
Share capital raising costs	19	-	(32)
Share buyback	19	(21)	-
Net cash (outflow)/inflow from financing activities		(13)	1,868
Net (decrease)/increase in cash held		(2,930)	3,433
Add cash and cash equivalents at start of year		4,097	615
Effect of foreign exchange rate changes on cash		12	49
Cash at bank at end of year	10	1,179	4,097
Comprised of:			
Cash and short-term deposits	10	1,179	4,097

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

1. Corporate Information

The consolidated financial statements of Plexure Group Limited and its subsidiaries (collectively, the Group) for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 20th May 2019.

Plexure Group Limited ("the Company") is a limited company incorporated and domiciled in New Zealand, registered under the Companies Act 1993, and whose shares are publicly traded on the New Zealand Stock Exchange [NZX:PLX]. The registered office is located at Level 4, 37 Galway Street, Auckland, New Zealand.

The principal activity of the Company is the development and deployment of cloud-based Customer Relationship Management (or CRM) solution that enables retailers to engage with consumers in real time using connected devices and sensors. The principal activities of subsidiaries are disclosed in Note 13.

Statement of Compliance

The consolidated financial statements of the Group comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") as appropriate for profit-oriented entities.

The consolidated financial statements comply with International Financial Reporting Standards ("IFRS").

Plexure Group Limited is a FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and these financial statements comply with that Act.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied unless otherwise stated.

(a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP the entity is a for-profit entity.

The consolidated financial statements have been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest ($000), except when otherwise indicated. The consolidated financial statements provide comparative information in respect of the previous period.

(b) Critical Judgements in Applying Accounting Policies

In the application of NZ IFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going 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.

(c) Key Sources of Estimation Uncertainty and Key Judgements

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Key Sources of Estimation Uncertainty and key judgements include:

- The Group assesses each revenue contract to ensure that revenue is recognised by making estimates and assumptions, for the contracts Plexure has in place with its customers in identifying performance obligations. Refer to Note 3.
- Determining whether the intangible assets to which the development expenditure relates meet the criteria for capitalisation and if there are any indicators of impairment. Refer to Note 15.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be measurable under the circumstances.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The consideration transferred for an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Costs directly attributable to the acquisition are expensed as incurred and included in operating expenses.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

(e) Revenue from contracts with customers

The Group derives revenue from the provision of software licenses, consulting services and other revenue. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognised either when the performance obligation, in the contract, has been performed (‘point in time’ recognition) or ‘over time’ as control of the performance obligation is transferred to the customer (Refer to Note 2(w)).

(e) Revenue from contracts with customers (continued)

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Provision of software licenses
Revenue is recognised over time as the performance obligation is satisfied.
Such services include deployment and CRM, license, support and user fees. Consideration received prior to the service being rendered is recognised in the consolidated statement of financial position as deferred revenue.

(ii) Consulting services
The performance obligation is satisfied over-time and payment is generally due upon completion of the project and acceptance by the customer. In some contracts, consideration received prior to the service being rendered is recognised in the consolidated statement of financial position as deferred revenue.

(iii) Other revenue
Other revenue includes travel reimbursement fees is recognised at the point in time when the trip is complete.

(f) Taxation

Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Deferred Tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination), which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at reporting date. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included
- The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

(g) Foreign Currencies

The Group's consolidated financial statements are presented in New Zealand dollars, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into New Zealand Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

(h) Property, Plant and Equipment

All items of Property, Plant and Equipment are stated at cost less accumulated depreciation, and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis, so as to write off the net cost of the asset over its expected useful life to its estimated residual value. The following estimates of useful lives are used in the calculation of depreciation:

Category	*Estimated useful life*
Fixtures & Fittings	2-14 years
Plant & Equipment	3 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognised.

(h) Property, Plant and Equipment (continued)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Operating lease payments are recognised as an operating expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

(j) Intangible Assets

Capitalised Software Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately. Based on the financial performance of the intangible assets the Group did not identify any impairment indicators for the year ended 31 March 2019.

The useful life of internally-generated intangible assets is as follows:

Category	*Estimated Useful Life*
Core Platform	5 years
Mobile Apps	2 years

(k) Impairment of Non-Financial Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(l) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand, demand deposits, and other short-term highly liquid investments (original maturity of less than three months) that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(m) Term deposits

Term deposits are investments with an original maturity exceeding three months. Deposits with the original maturity between three and twelve months are classified as current term deposits.

(n) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 19. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in equity, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

(o) Financial Instruments

Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(p) Accounts Receivable

Accounts receivable are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method.

Plexure Group has applied the NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade and other receivables.

(p) Accounts Receivable (continued)

To measure expected credit losses, trade and other receivables have been grouped and reviewed on the basis of the number of days past due. The expected credit loss allowance has been calculated by considering the impact of the following characteristics:

- The country, customer and market characteristics consider the relative risk related to the country and region within which the customer resides and makes an assessment of the financial strength of the customer and the market position.
- The baseline characteristic considers the age of each invoice and applies an increasing expected credit loss estimate as the trade receivable ages.

(q) Accounts Payable

Accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

(r) Employee Benefits

Provision is made for benefits accruing to employees in respects of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provision made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits, which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(s) Consolidated Statement of Cash Flows

For the purpose of the consolidated statement of cash flows, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts.

The consolidated statement of cash flows is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive income.

Definition of terms used in the consolidated statement of cash flows:

- Operating activities include all transactions and other events that are not investing or financing activities.
- Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.
- Financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity.

(t) Convertible notes

Convertible notes are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method for calculating the amortised cost of a financial liability and allocating interest expense over the relevant period.

(u) Derivative financial liability

The derivative financial liability is carried at fair value, with any gains or losses arising on measurement recognised in profit or loss.

(v) Treasury Stock

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(w) Adoption of New Revised Standards and Interpretations

The Group adopted all mandatory new and amended standards and interpretations.

The impact of the adoption of these new standards is disclosed below.

NZ IFRS 9 Financial Instruments *(effective for accounting periods beginning on or after 1 January 2018).*

NZ IFRS 9, Financial Instruments, replaces the provisions of NZ IAS 39 that relate to the recognition, classification, measurement and impairment of financial instruments. The adoption of NZ IFRS 9 from 1 April 2018 resulted in changes in accounting policies in the consolidated financial statements, however compliance with the standard has not had any material impact on the financial position and financial performance in the current or prior year. For prior year comparatives the modified retrospective method of transition was used.

Plexure Group classifies its financial assets and financial liabilities as being measured at amortised cost. There was no change in the fair value of the financial assets as a result of the adoption of a new accounting standard.

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

NZ IFRS 15 Revenue from contracts with customers *(effective for accounting periods beginning on or after 1 January 2018).*

NZ IFRS 15 Revenue from contracts with customers, replaces NZ IAS 18 Revenue and changes the ways Plexure Group recognises revenue. The Group adopted NZ IFRS 15 from 1 April 2018, which resulted in changes in accounting policies relating to the recognition of revenue.

NZ IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised, and also contains new requirements related to presentation. The core principle of this new standard is that revenue should be recognised dependent on the transfer of promised goods or services to the customer for an amount that reflects the consideration which should be received in exchange for those goods or services. For prior year comparatives the modified retrospective method of transition was used.

(w) Adoption of New Revised Standards and Interpretations (continued)

Process and policy

To assess the impact of NZ IFRS 15 on the Group, contracts within each segment were aggregated to create portfolios of contracts. An individual contract from each portfolio was selected as being representative of each unique contract type.

For each contract type, the five-step method was applied to assess the impact on revenue recognition. The five-step method for recognising revenue from contracts with customers involves consideration of the following:

1. Identifying the contract with the customer
2. Identify the performance obligations in the contract
3. Determining the transaction price
4. Allocate the transaction price to performance obligations
5. Recognise revenue when each performance obligation is satisfied.

Revenue Type	Description	Key Judgements	Outcome	Timing of revenue recognition
SaaS and Hosting fees (relates to license revenue in Note 3)	Mobile engagement platform licensing and support.	Determining the distinct performance obligations and whether items are required to be bundled to form a distinct performance obligation.	Providing a software license is a distinct performance obligation and is not required to be bundled with other performance obligations.	**Over time** Platform access is recognised over time on the input of service period basis as benefits are simultaneously received and consumed.
Setup and Deployment fees (relates to license revenue in Note 3)	SaaS platform setup and CRM implementation for customers.	Determining whether the services provided are a distinct performance obligation.	The services are a part of SaaS and Hosting performance obligation and should be bundled as such.	As above
Professional services (consulting revenue in Note 3)	Value-add services, and tailored software development and/or enhancement.	Determining whether the services provided are a distinct performance obligation.	The services are a distinct performance obligation as they are not highly dependent or interrelated to other performance obligations in the contract.	**Over time** Recognised when the service is complete or on a stage of completion input basis based on the hours required to finalise the project.
Expense reimbursement (relates to other revenue in Note 3)	Compensation for client related travel	No major judgement required, other than confirming the period of client travel and aligning costs to revenue recognised.	N/A	**Point in time** Recognised at the point in time when the client related travel has occurred.

(w) Adoption of New Revised Standards and Interpretations (continued)

Accounting policies have been amended to ensure that the five-step method, as defined in NZ IFRS 15, is applied consistently to revenue recognition processes across Plexure Group.

Following a review of Plexure Group's portfolio of contracts, management concluded that the implementation of NZ IFRS 15 has deferred the recognition of set-up and deployment fees (part of license revenue) for the year ended 31 March 2019 by $144,000 (31 March 2018: Nil).

Management obtained further understanding of revenue disclosure (under NZ IFRS 15) since the interim report for six months ended 30 September 2018 and decided to amend the classification of revenue in the notes to the consolidated financial statements into 3 categories (license, consulting services and other revenue).

(x) Published but not yet applicable accounting standards

NZ IFRS 16 Leases *(effective for accounting periods beginning on or after 1 January 2019)*

NZ IFRS 16, Leases, replaces NZ IAS17: Leases and changes the way in which the Group accounts for its operating leases. The new standard requires recognition of a lease liability and a right-of-use asset at inception based on the future lease payments for substantially all lease contracts. The expense previously recorded in relation to operating leases will move from being included in operating expenses to within depreciation and finance expense.

NZ IFRS 16 is effective for the year ended 31 March 2020 with early adoption permitted. The Group intends to adopt NZ IFRS 16 on its effective date. Considering the leases the Group has in place as at 31 March 2019, the adoption of NZ IFRS 16 based on the modified retrospective method is not expected to have a material impact on the financial statements for the year ended 31 March 2020.

As at 31 March 2019 the Group had two current leases remaining (refer to note 23). The new office lease was signed on 1 April 2019 (refer to note 28) and will be accounted prospectively under NZ IFRS 16 in the year ended 31 March 2020.

3. Revenue from contracts with customers	**2019 $'000**	**2018 $'000**
License revenue (i)	9,702	6,868
Consulting revenue (i)	6,987	4,507
Other Revenue	139	178
	16,828	11,553

(i) License and Consulting revenue is recognised over time, the unutilised portion of revenue is recognised as deferred revenue in the balance sheet. For detailed breakdown of deferred revenue refer to Note 17.

Revenue by segment and region is presented in the segmentation report in Note 25.

4. Other income	**2019 $'000**	**2018 $'000**
Interest received	63	10
Government grant income	-	17
Marketing funding	-	175
	63	202

Notes to the Consolidated Financial Statements

For the Year Ended 31 March 2019

5. Wages and staff costs	2019 $'000	2018 $'000
Salaries (less capitalised)		
NZ	4,287	2,885
Overseas	903	767
Benefits		
NZ	359	299
Overseas	74	60
Kiwisaver/Pension		
NZ	130	85
Overseas	25	20
Staff Costs	543	170
	6,321	4,286
Permanent Staff numbers as at 31 March		
NZ	48	26
Overseas	4	4

6. Professional fees	2019 $'000	2018 $'000
Auditors' fees for audit of the financial statements	95	40
Auditors' other fees:		
Taxation compliance services	30	23
Ancillary assurance services	35	25
Accounting advisory services and systems	100	79
Consultancy services	179	33
Legal Expenses	167	99
	606	299

7. IT Costs

	2019 $'000	2018 $'000
Platform hosting	2,764	2,353
Support and maintenance	257	184
License	122	175
Other IT expenses	25	48
	3,168	2,760

8. Other expenses

	2019 $'000	2018 $'000
Other Expenses includes the following amounts:		
Listing expenses	70	77
Share Option expense	240	53
Foreign exchange (gain)/loss	(58)	96
Write off of trade receivables	(70)	123
Loss allowance on trade receivables	195	91
Non-derivatives interest expenses	-	4
Loss on disposal of property, plant & equipment (Note 14)	49	-
Bank fees	22	19
	448	463

9. Tax

The major components of income tax expense for the years ended 31 March 2019 and 2018 are:

(a) Consolidated Statement of Comprehensive Income:	2019 $'000	2018 $'000
Current income tax:		
Current income tax expense	(63)	(35)
Withholding Tax not recognised	(89)	(126)
Prior Period Adjustment	8	(72)
Income tax expense reported in the statement of comprehensive income	(144)	(233)

(b) Current tax assets and liabilities	2019 $'000	2018 $'000
RWT receivable	(16)	(8)
Current tax payable	2	35
	(14)	27

(c) Reconciliation of income tax expense to net loss before tax:	2019 $'000	2018 $'000
Net loss before tax	(559)	(1,433)
Benefit of statutory income	156	401
Non-deductible expenses	(664)	(89)
Future benefit of tax losses not recognised	462	(359)
Effect of difference in overseas tax rates	(17)	12
Foreign withholding tax expenses	(89)	(126)
Prior period adjustment	8	(72)
Income tax expense reported in the statement of comprehensive income	(144)	(233)

(d) Deferred Tax

The Group has estimated gross tax losses of $17.6m at balance date (2018: $23.0m). These are subject to confirmation by the Inland Revenue Department and subject to meeting the requirements of the 2007 Income Tax Act. Unrecognised deferred tax assets arising from these tax losses are $4.9m measured at 28% (2018: $6.4m). The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Intangible assets $'000	Provisions & accruals $'000	Tax losses $'000	Deferred $'000	Total $'000
At 1 April 2017	(615)	50	565	86	86
Recognised in profit and loss	(270)	(12)	282	(86)	(86)
At 31 March 2018	(885)	38	847	-	-
At 1 April 2018	(885)	38	847	-	-
Recognised in profit and loss	233	(101)	(132)	-	-
At 31 March 2019	(652)	(63)	715	-	-

(e) Imputation Credit Account Balances

	2019 $000	2018 $000
Balance as at 31 March	16	8

10. Cash and Cash Equivalents

	2019 $'000	2018 $'000
Cash and Cash and Cash Equivalents	1,179	4,097
	1,179	4,097
Denominations in:		
New Zealand dollars	671	3,906
United States dollars	377	77
Australian dollars	1	36
Japanese Yen	107	55
Great British pounds	23	23
	1,179	4,097

11. Term Deposits

	2019 $'000	2018 $'000
Term Deposits	6,071	-
	6,071	-

Term deposits are held with the group's bankers, made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective term deposit rates.

All term deposits are denominated in New Zealand dollars.

12. Trade and Other Receivables

	2019 $'000	2018 $'000
Accounts receivable	2,196	1,029
Provision for expected credit loss	(196)	(91)
Accrued Income	54	111
Sales tax receivable	335	212
Prepayments and other receivables	246	170
	2,635	1,431

The aging profile of Accounts Receivable are as follows:

	2019 $'000	2018 $'000
Current	974	273
30-59	351	463
60-89	484	121
90 days and later	387	172
	2,196	1,029

The aging profile above does not necessarily reflect whether an amount is past due and impaired, as customer credit terms vary. Of the accounts receivable total of $2.196m, $1.222m is showing as past due (2018: $0.756m) however based on overseas payment patterns this is considered normal.

Accounts Receivable are split into revenue categories as follows:

	2019 $'000	2018 $'000
License revenue	1,574	944
Consulting revenue	608	64
Other Revenue	14	21
	2,196	1,029

13. Investments in Subsidiaries

The consolidated financial statements of the Group include the following subsidiaries:

Name	Holding company	Equity interest 2019	Equity interest 2018	Balance date	Country of incorporation	Principal activity
Plexure Limited	Plexure Group Limited	100%	100%	31 March	New Zealand	Trading entity
VMob IP Limited	Plexure Group Limited	100%	100%	31 March	New Zealand	Holder of IP assets
VMob UK Limited	Plexure Limited	100%	100%	31 March	United Kingdom	Trading entity
VMob USA Limited	Plexure Limited	100%	100%	31 March	USA	Trading entity
Plexure KK (previously VMob KK)	Plexure Limited	100%	100%	31 March	Japan	Trading entity
VMob Pty Limited (i)	Plexure Limited	-	100%	31 March	Australia	Trading entity
VMob Singapore Pte Limited (ii)	Plexure Limited	-	100%	31 March	Singapore	Trading entity

(i) On 2 January 2019 Vmob Pty Limited was deregistered on the Australian Company register.
(ii) On 7 May 2018 Vmob Singapore Pte Limited was struck off the Singaporean register.

14. Property, Plant & Equipment

	Leasehold Improvements $'000	Furniture & Fittings $'000	Plant & Equipment $'000	Total $'000
Cost				
At 1 April 2017	242	59	219	520
Additions	-	2	125	127
Disposal	(6)	-	(30)	(36)
At 31 March 2018	236	61	314	611
Additions	-	61	61	122
Disposal	(236)	(9)	(9)	(254)
At 31 March 2019	-	113	366	479
Depreciation				
At 1 April 2017	(111)	(24)	(165)	(300)
Depreciation charge for the year	(49)	(5)	(47)	(101)
Disposal	3	-	30	33
At 31 March 2018	(157)	(29)	(182)	(368)
Depreciation charge for the year	(24)	(17)	(67)	(108)
Disposal	181	4	8	193
At 31 March 2019	-	(42)	(241)	(283)
Net book value				
At 31 March 2018	79	32	132	243
At 31 March 2019	-	71	125	196

Total net loss on disposal of Property, Plant & Equipment during the period amounted to $49,488.

15. Intangible Assets

	Core Platform $000s	Mobile Platform $000s	Total $000s
Cost			
As at 1 April 2017	8,578	1,017	9,595
Additions – internally developed	944	-	944
As at 31 March 2018	9,522	1,017	10,539
Additions – internally developed	628	-	628
As at 31 March 2019	10,150	1,017	11,167
Amortisation			
As at 1 April 2017	(3,345)	(856)	(4,201)
Amortisation charge for the year	(1,784)	(153)	(1,937)
As at 31 March 2018	(5,129)	(1,009)	(6,138)
Amortisation charge for the year	(1,766)	(8)	(1,774)
As at 31 March 2019	(6,895)	(1,017)	(7,912)
Net book value			
As at 31 March 2018	4,393	8	4,401
As at 31 March 2019	3,255	-	3,255

16. Trade and Other Payables	2019 $'000	2018 $'000
Accounts payable	547	216
Accruals	770	443
Staff social security and tax payable	27	92
	1,344	751

Normal credit terms are 30th of the following month.

17. Deferred Revenue

Deferred customer revenue relates to income invoiced to customers in advance during a financial period, part of which will be recognised in the statement of comprehensive income in the subsequent financial period. All deferred revenue is classified as current liability.

	2019 $'000	2018 $'000
Deferred license revenue	2,617	1,251
Deferred consulting revenue	1,271	1,195
	3,888	2,446

18. Convertible note

On the 3 February 2017 Plexure Group Limited entered into a convertible debt agreement to issue convertible notes with an aggregated principle value of $1.6m maturing on 3 November 2017. The notes initially bore 8% interest per annum calculated on a simple basis and are convertible at the option of the holder at a price of $0.28 per share.

On 30 August 2017 Plexure Group Limited agreed amended terms with the holders of the $1.6m of convertible notes. The key terms of the amendments were as follows:

- The repayment date was extended from the 3 November 2017 until 31 March 2019.
- Interest of $97,524 was converted into the face value of the convertible note.
- Interest stopped accruing on the convertible note.
- In return for the above the option has been repriced from 28c to 12c.

On 4 April 2018, holders of $168,888 worth of convertible notes exercised their option to convert to 1,407,398 shares. The note was converted at 12 cents per share compared to the market price on the date of issue of 20 cents per share. On 29 March 2019 the remaining holders of $1,504,173 of the convertible notes exercised their option to convert to 12,534,773 shares. The note was converted at 12 cents per share compared to the market price on the date of issue of 33.5 cents per share.

The convertible note consisted of liability amortised at cost and a derivative liability at fair value, which were both closed out through the profit and loss statement resulting in an expense of $1.477m. To this was added the interest charged of $0.168m and resident withholding tax and non-resident withholding tax.

18. Convertible note (continued)

The movement in the carrying value of the convertible note liability is as follows:

	2019 $'000	2018 $'000
Opening balance	1,485	1,419
Interest until date of new terms	-	191
Reversal of opening balance due to new terms	-	(1,610)
Proceeds of issue	-	1,600
Interest converted to the face value of the note	-	75
Derivative liability fair value at date of issue	-	(290)
Liability component	1,485	1,385
Effective interest rate charged	168	100
Close out of the convertible note through profit and loss	22	-
Conversion of the convertible note to equity	(1,675)	-
Closing balance	-	1,485

The movement in the carrying value of the convertible note derivative liability is as follows:

	2019 $'000	2018 $'000
Opening balance	1,351	161
Reversal of opening balance due to new terms	-	(161)
Amount at the date of issue	-	290
Fair value of derivative through profit and loss	1,455	1,061
Conversion of the convertible note to equity	(2,806)	-
Closing balance	-	1,351

Reconciliation of the carrying value of the convertible note to financing expenses in the statement of comprehensive income:

	2019 $'000	2018 $'000
Convertible note interest until date of reversal	-	(191)
RWT & NRWT	(6)	-
Convertible note interest until balance date	(168)	(100)
Interest expense on derivatives	(174)	(291)
Reversal of convertible note liability due to new terms	-	(1,610)
Proceeds of issue	-	1,600
Interest converted to the face value of the note	-	74
Close out of the convertible note liability	(22)	-
Close out of the convertible note derivative liability	(1,455)	-
	(1,477)	(64)
Reversal of derivative liability due to new terms	-	161
Fair value of the derivative through the profit and loss	-	(1,061)
Loss on derivative liability	-	(900)

19. Share Capital, Treasury Stock and Share Based Payment Reserve

All shares are ordinary shares, have been issued as fully paid and have no par value. Fully paid ordinary shares carry one vote per share, carry a right to dividends and a pro-rata share of net assets on a wind up.

(a) Share Capital and Treasury Stock

	Shares	**$'000**
Balance as at 31 March 2017	92,650,513	24,952
Shares issued by way of private placement in July 2017	5,230,000	503
Shares issued by way of private placement in August 2017	13,770,000	1,365
Balance as at 31 March 2018	111,650,513	26,820
Shares issued by way of conversion of convertible note in April 2018	1,407,397	281
Share buyback recognised as Treasury Stock in February 2019	(71,421)	(21)
Shares issued by way of exercising of share options in March 2019	30,001	8
Shares issued by way of conversion of convertible note in March 2019	12,534,773	4,200
Balance as at 31 March 2019	125,551,263	31,288

(b) Share based payment reserve

The share based payment reserve is used to record the accumulated value of unexercised share options and vested share rights which have been recognised in the statement of comprehensive income. As at balance date executives, and employees and directors have options over 8,805,440 shares (2018: 4,690,000).

	2019 $'000	**2018 $'000**
Balance at the beginning of year	301	1,078
Share based payment	242	141
Writeback of share based payment expired but not vested	(2)	(88)
Options not exercised written to retained earnings	(125)	(830)
Options exercised	(1)	-
Balance at the end of year	415	301

(c) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Zealand dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

	2019 $'000	**2018 $'000**
Balance at the beginning of year	114	65
Exchange differences arising on translating the foreign operations	18	49
Balance at the end of year	132	114

(d) Share Based Payments

In August 2012 the Group established a share option plan that entitles selected employees, contractors and executives to purchase shares in the Company. In accordance with the terms of issue of the options, holders are entitled to acquire shares at the price determined at the time the options were issued. All options are to be delivered by physical delivery of shares. Terms and conditions of outstanding grants are as follows:

Grant date	Personnel entitled	Number of instruments
26/06/2014	Staff	5,440
28/10/2014	Staff	40,000
30/03/2015	Key executives and staff	70,000
17/06/2015	Key executives and staff	160,000
19/11/2015	Key executives and staff	30,000
02/12/2016	Key executives and staff	910,000
06/09/2017	Key executives	1,000,000
20/11/2017	Key executives	400,000
10/01/2018	Key executives and staff	720,000
19/06/2018	Staff	60,000
04/09/2018	Key executives	3,500,000
20/11/2018	Staff	140,000
17/12/2018	Key executives and staff	1,770,000
Total options issued		8,805,440

All share options vest in three equal tranches, one third on each of the first, second and third anniversaries of the grant. The contractual life of all options is 5 calendar years from the date of issue.
The number and average exercise price of the share options are as follows:

	2019		2018	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April		4,690,000		8,006,533
Exercised during the year	0.20	(30,001)		-
Granted during the year	0.20	5,600,000	0.14	2,690,000
Forfeited during the year	0.26	(1,454,559)	0.36	(6,006,533)
Outstanding at 31 March		8,805,440		4,690,000

The fair value of services received in return for the share options granted is based on the fair value of share options granted measured using a Black Scholes model with the following inputs:

Issue Date	17/12/18	20/11/18	4/09/18	19/06/18	10/01/18
Estimated fair value per option at grant date	11.0 cents	9.7 cents	8.9 cents	9.8 cents	9.5 cents
Exercise price per share	23.25 cents	20.45 cents	18.8 cents	20.75 cents	19.3 cents
Expected volatility	50%	50%	50%	50%	50%
Option life from date of grant	5 years	5 years	5 years	5 years	5 years
Risk free interest rate	1.70%	1.70%	1.70%	1.70%	4.00%

(d) Share Based Payments (continued)

Issue Date	20/11/17	06/09/17	02/12/16	19/11/15	17/06/15
Estimated fair value per option at grant date	5.9 cents	5.4 cents	11.8 cents	16.7 cents	20.1 cents
Exercise price per share	12.0 cents	11.0 cents	24.0 cents	34 cents	40.8 cents
Expected volatility	50%	50%	50%	50%	50%
Option life from date of grant	5 years	5 years	5 years	5 years	5 years
Risk free interest rate	4.00%	4.00%	4.00%	4.00%	4.00%

Issue Date	30/3/15	28/10/14	26/6/14
Estimated fair value per option at grant date	22.1 cents	0.16 cents	24.6 cents
Exercise price per share	45 cents	32.5 cents	50 cents
Expected volatility	50%	50%	50%
Option life from date of grant	5 years	5 years	5 years
Risk free interest rate	4.00%	4.00%	4.00%

Expected volatility was estimated by reference to the volatility of listed equity securities for businesses of a similar nature to the Group operating in the technology industry and Plexure's own volatility.

20. Earnings Per Share

The loss of $0.703m (2018: $1.666m) for the year represented a loss per share shown below based on weighted average ordinary shares on issue during the year.

	2019	2018
Weighted average ordinary shares issued	113,102,013	105,306,540
Weighted average potential ordinary shares	6,853,362	6,168,939
Weighted average number of ordinary shares for diluted loss per share	119,995,375	105,306,540
Basic loss per share (cents)	0.6	1.6
Diluted loss per share (cents)	0.6	0.3

Note that the options are not considered dilutive in terms of calculating earnings per share, as a loss was recorded in 2019 and 2018.

21. Accumulated Losses

	2019 $'000	2018 $'000
Balance at the beginning of year	(23,139)	(22,303)
Share based payments on expired options	125	830
Net loss for the year	(703)	(1,666)
Balance at the end of the year	(23,717)	(23,139)

22. Related Party Transactions

At reporting date the Directors of the Company controlled 3% (2018: 19%) of the voting shares in the Company.

		2019	2018
Phil Norman	Director's Fee ($)	50,000	50,000
	Payables ($)	4,893	4,792
	Shareholding (#)	3,194,405	3,194,405
	Shares (%)	2.54	2.86
Sharon Hunter	Director's Fee ($)	35,000	35,000
	Payables ($)	3,354	-
	Shareholding (#)	-	-
	Shares (%)	-	-
Brian Russell	Director's Fee ($)	35,000	16,720
	Payables ($)	3,871	3,825
	Shareholding (#)	-	-
	Shares (%)	-	-
Scott Bradley	Director's Fee ($)	5,832	11,099
(resigned 29 May 2018)	Salary (CEO) ($)	-	193,968
	Shareholding (#)	8,681,095	16,681,095
	Shares (%)	6.91	14.94
Craig Herbison	Director's Fee ($)	-	-
(appointed 19 June 2018)	Salary and bonus (CEO) ($)	457,145	170,464
	Shareholding (#)	-	-
	Shares (%)	-	-
Tim Cook	Director's Fee ($)	12,425	35,000
(resigned 8 August 2018)	Payables ($)	-	-
	Shareholding (#)	840,000	1,316,847
	Shares (%)	0.67	1.18

The Company supplied services to the value of $173,517 (2018: $173,517) to Loyalty New Zealand Limited during the year. Phil Norman was a Director of this company during the year.

Key management personnel and director transactions

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and include the Chief Executive and his direct reports.

In addition to their fees and salaries, the Group also provides non-cash benefits to executive officers in the form of share options (refer Note 19). The following table summarises remuneration paid to key management personnel and directors:

	2019	2018
	$'000	$'000
Directors' fees*	138	148
Exec team salary and bonus	1,586	1,437
Share based payments	194	91
	1,918	1,676

*Directors fees is the total amount paid to Directors as fees. This differs to the amount in the consolidated statement of comprehensive income as that figure includes directors and officers insurance.

23. Operating lease Commitments – Group as lessee

The Group leases property under non-cancelable operating lease arrangements. Future minimum rentals payable under non- cancelable operating leases as at 31 March are as follows:

	2019 $'000	2018 $'000
Within one year	84	129
After one year but not more than five years	-	73
	84	202

ASB Bank provides a guarantee for $64,000 in respect of property leases.

24. Contingencies

There were no material contingent assets at 31 March 2019 (2018:Nil). There is a contingent liability of $64,000 in respect of properties and a further $75,000 in relation to the NZX bond (2018: $139,000).

25. Segmental reporting

The Chief Executive and members of the executive management team are the Group's chief operating decision makers. They have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself forms a single operating segment, the development and deployment of a mobile engagement software with consulting services on campaigns and where required paid technology development work. The segment result is reflected in the financial statements.

The Group operated principally in Asia, Australasia, North America, Latin America and Europe during the year ended 31 March 2019. Operating revenue by geographical location is as follows:

	2019 $'000	2018 $'000
Asia	9,101	7,049
Australasia	671	639
North America	1,792	307
Latin America	407	1,134
Europe	4,857	2,424
	16,828	11,553

All material non-current assets are held within New Zealand. We note that one customer contributes over 10% of our revenues.

26. Reconciliation of Operating Cash Flows

Reconciliation from the net loss after tax to the net cash from operating activities.

	2019 $'000	2018 $'000
Net loss after tax	(703)	(1,666)
Adjustments for non-cash items		
Amortisation	1,774	1,937
Depreciation	108	101
Amortisation of lease inducement	(5)	(9)
Recognition of share based payments	240	53
Fair Value of Derivative	1,477	900
Interest Accrued on Convertible Note	174	356
Other	51	30
	3,819	**3,368**
Movements in working capital		
(Increase)/ Decrease in trade and other receivables	(1,204)	454
Increase/ (Decrease) in trade payables and accruals	545	(819)
Increase in deferred revenue	1,442	1,297
	783	**932**
Net cash inflow from operating activities	3,899	2,634

27. Financial Risk Management

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Specific risk management objectives and policies set out below:

(a) Capital Risk Management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity.

The capital structure of the Group consists of debt, issued capital, equity reserves and accumulated losses as disclosed in Notes 19 and 21.

The Group's Board of Directors reviews the capital structure on a regular basis.

The Group is not subject to externally imposed capital requirements.

The Groups overall strategy remains unchanged from prior years.

(b) Interest Rate Risk

The Group has no significant interest bearing assets or liabilities and operating cashflows are substantially independent of changes in market interest rates in interest bearing financial assets or liabilities.

(c) Foreign Exchange Risk

The Group faces the risk of movements in foreign currency exchange rates against the New Zealand dollar. During the year ended 31 March 2019, the Group's transactions were in New Zealand dollars, Australian dollars, United States dollars, Japanese Yen and Euros. As a result the Group's consolidated statement of comprehensive income and consolidated statement of financial position can be affected by movements in exchange rates.

The table below details the Group's sensitivity to a reasonably possible (10%) increase or decrease in the New Zealand dollar against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for the change in foreign currency rates.

	2019			2018		
	Carrying amount	**+/-10% effect on profit before tax**	**+/-10% effect on equity**	**Carrying amount**	**+/-10% effect on profit before tax**	**+/- 10% effect on equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial Assets						
Cash and cash equivalents						
USD	377	38	38	77	8	8
AUD	1	-	-	36	4	4
JPY	107	11	11	55	6	6
GBP	23	2	2	23	2	2
Trade receivables						
USD	1,589	159	159	657	66	66
AUD	38	4	4	19	2	2
JPY	373	37	37	163	16	16
EUR	-	-	-	77	8	8

(d) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances and accounts receivable. The Board monitors and manages the exposure to credit risk through the ongoing review of aged receivables and their recoverability.

The maximum exposures to credit risk at balance date are:

	2019	2018
	$'000	**$'000**
Cash, cash equivalents and Term Deposits	7,250	4,097
Accounts Receivable	2,196	1,029

At 31 March 2019, the credit risk associated with accounts receivable is considered minor due to the mix of large organisations. The Group's bank accounts are held with reputable banks in New Zealand and overseas. Otherwise the Group does not have any other concentrations of credit risk. The Group does not require any collateral or security to support financial instruments.

(e) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

28. Events after reporting period

On the 1 April Plexure signed a 6 year lease for new premises for an annual rent of $487,398.

On 2 April 2019 McDonald's Corporation signed a new Software as a Service agreement with Plexure. On the same day McDonald's purchased a stake of 9.9% of Plexure for $5.4m representing a 15% premium over the volume-weighted average price of Plexure shares during March 2019.

On 8 April 2019 the company appointed Robert Bell as a Non-Executive Director.

Supplementary Financial Information

For the Year Ended 31 March 2019

The supplementary financial information does not form part of the financial statements. To assist in understanding the Group's performance, The Director's have provided additional disclosure of the Group's results excluding the financing expenses which relate to the convertible note.

Reconciliation of net profit/(loss) before tax excluding convertible note accounting

	2019 $'000	2018 $'000
Net loss before tax	(559)	(1,433)
Add back financing expenses (convertible note)	1,651	1,255
Net profit/(loss) before tax excluding convertible note accounting	1,092	(178)

Reconciliation of net profit/(loss) after tax excluding convertible note accounting

	2019 $'000	2018 $'000
Net loss after tax attributable to the shareholders of the company	(703)	(1,666)
Add back financing expenses (convertible note)	1,651	1,255
Net profit/(loss) after tax excluding convertible note accounting	948	(411)

Reconciliation of total comprehensive profit/(loss) excluding convertible note accounting

	2019 $'000	2018 $'000
Total loss for the year attributable to the shareholders of the company	(685)	(1,617)
Add back financing expenses (convertible note)	1,651	1,255
Total comprehensive profit/(loss) before excluding convertible note accounting	966	(362)

Corporate Governance Statement

This corporate governance statement demonstrates Plexure's compliance with the new NZX Corporate Governance Code.

Principle 1: Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for delivering these standards throughout the organization.

Recommendation 1.1 Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

The Plexure Code of Ethics (the "Code") is fundamental to the way that Plexure Group Limited ("Plexure" or the "Company") does business and it is published on our website. The purpose of the Code is to ensure high standards of ethical conduct. The Code aims to achieve this purpose by the use of principles that provide guidance on appropriate standards and conduct. As the Code and the principles set out in it cannot capture every situation that might arise, Plexure personnel are requested to assess actions and decisions against the backdrop of the principles and spirit of the Code and always seek to act consistently with that. The Code has been approved by the board of directors (the "Board") of Plexure.

Recommendation 1.2 Financial dealing policy

An issuer should have a financial product dealing policy which applies to employees and directors.

Plexure is committed to financial integrity and to ensuring compliance with all regulatory market requirements at all times. Plexure's Securities Trading Policy is a critical part of this commitment and of ensuring every member of the Plexure team is aware of their obligations and legal requirements for trading in Plexure securities. All of Plexure's policies are owned by the board or a board delegate and are regularly reviewed. The Plexure Securities Trading Policy was last reviewed in July 2018.

Principle 2: Board composition and Performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Recommendation 2.1 Written Board Charter

The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management."

The Plexure Board Charter sets out how the board exercises and discharges its powers and responsibilities, including through committees established by the board. The Charter defines and prescribes the relationship between the board, the CEO, and the executive team.

The Board has statutory responsibility for the affairs and activities of the Company, which in practice is achieved through delegation to the Chief Executive Officer of the day-to-day leadership and management of the Company.

Recommendation 2.2 Nominating and appointing directors to the board.

Every issuer should have a procedure for the nomination and appointment of directors to the board.

Plexure's procedures for the nomination and appointment of directors are covered by the remuneration committee. One third of the Directors stand for re-election at each AGM (as per the Board Charter). From time to time Plexure will seek new Directors for its Board. The potential candidates are recruited based on the specific skill set they can bring to the Board. The candidate will be interviewed by the Chair and a sub-committee of the Board. They will be subject to checks on their character, education, criminal and bankruptcy history.

Recommendation 2.3 Written agreements with each director

"An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment."

Plexure's Directors enter in to a written agreement establishing the terms of their appointment, including Plexure's expectations for the role of director.

Recommendation 2.4 Information on directors

"Every issuer should disclose information about each director in its annual report or on its website, including a profile of experience, length of service, independence and ownership interests."

Profiles of each director's experience can be found on the website.

Phil Norman
Chair – Independent
23 August 2012 (6 years, 7 months)

Brian Russell
Independent
27 Oct 2017 (1 year, 5 months)

Craig Herbison
Executive Director
19 June 2018 (9 months)

Sharon Hunter
Independent
27 November 2015 (3 years, 4 months)

Directors disclosed the following relevant interests in shares as at 31 March 2019.

Director	Beneficially	Associated Persons
Phil Norman	3,194,405	9,362

Recommendation 2.5 Diversity Policy

"*An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it."*

Plexure is committed to creating and maintaining an inclusive and collaborative workplace culture by recognising the values of a diverse and skilled workforce. This commitment extends to all areas of its business and is encompassed in Plexure's diversity policy which is available on our website.

As at 31 March 2019, the gender balance of the Company's directors, officers and all employees and contractors was as follows:

	2019			2018		
	Female	Male	**Total**	Female	Male	**Total**
Directors	1	3	**4**	1	4	**5**
Executive	1	3	**4**	0	4	**4**
Employees & contractors	14	50	**64**	12	22	**34**
Total (including directors)	16	56	**72**	13	30	**43**
Percentage	22%	78%	**100%**	30%	70%	**100%**

Although the gender balance has decreased proportionately, a female member has joined our executive team. This remains an area of focus within the company.

As at 31 March 2019, the ethnical balance of the Company's directors, officers and all employees and contractors was as follows:

	2019			2018		
	Directors and Executives	Employees and contractors	**Total**	Directors and Executives	Employees and contractors	**Total**
NZ European	8	17	**25**	9	10	**19**
Asian	-	38	**38**	-	20	**20**
Middle Eastern	-	1	**1**	-	1	**1**
European	-	5	**5**	-	2	**2**
American	-	3	**3**	-	1	**1**
Total	8	64	**72**	9	34	**43**

Plexure's Directors also believe that diversity goes beyond gender and ethnicity and that diversity is the key to succeeding in the fast-changing world.

Recommendation 2.6 Director training

"Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer."

Plexure is committed to the ongoing development of the board however during the year ended 31 March 2019 Plexure did not organise any group training for Directors. Directors of their own accord attended sessions on their statutory requirements.

Recommendation 2.7 Performance

"The board should have a procedure to regularly assess director, board and committee performance."

As per Plexure's charter the Board reviews its performance as a whole on an annual basis. Performance reviews of individual Directors will be undertaken as required and determined by the Board. Plexure has its next scheduled Board review in July 2019.

Recommendation 2.8 Independent Directors

"A majority of the board should be independent directors."

The majority of Plexure's Board of Directors consists of independent directors.

Recommendation 2.9 Chair and CEO

"*The Chair and the CEO should be different people.*"

Plexure's Board Charter states that the Chair is separate from the CEO. Phil Norman is the Chair of the board at Plexure, and Craig Herbison is the CEO at Plexure.

Principle 3: Board committees

The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility."

Recommendation 3.1 Audit committee

"*An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should not also be the chair of the board.*"

Plexure's Audit and Risk Committee (ARC) has a written charter and is made up of independent directors. The Chair of the ARC is not the Chair of the Board.

Current members: Phil Norman, Sharon Hunter

The role of the ARC is defined in the ARC Charter. The purpose of the ARC is to provide a specific governance focus on enterprise risks and the financial management, accounting, audit and reporting of Plexure and its subsidiaries.

Recommendation 3.2 Employees attend audit committee

"Employees should only attend audit committee meetings at the invitation of the audit committee."

Plexure's employees only attend ARC meetings at the invitation of the Audit and Risk Committee. The Chief Financial Officer and the Auditors are regular invitees to these meetings.

Recommendation 3.3 Remuneration committee

"*An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee"*

Plexure's Remuneration Committee has a written charter which is available on the website. Plexure's remuneration committee is made up of independent directors.

Current members: Phil Norman (Chair), Sharon Hunter, Brian Russell.

The remuneration committee approves performance criteria and remuneration for the CEO and recommends incentive payment or other adjustments to CEO remuneration to the board, taking into account the CEO's performance review with the board.

Recommendation 3.4 Nomination committee

"An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors"

Plexure does not have a separate nomination committee. The Board as a whole undertakes the role of nominations committee given the size of the company.

Recommendation 3.5 Other committees

"An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance."

Plexure has no other committees.

Attendance at board meetings

Directors attended the following total number of meetings:

Phil Norman	11 of 11
Sharon Hunter	10 of 11
Brian Russell	11 of 11
Craig Herbison	8 of 8
Tim Cook	4 of 4
Scott Bradley	2 of 2

Recommendation 3.6 Protocols for takeover offer

"The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. It should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee."

Plexure has a takeover protocol that has been prepared by an external advisor that outlines all the appropriate procedures if a takeover offer has been received.

Principle 4: Reporting and disclosure

"The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

Recommendation 4.1 Continuous disclosure

"*An issuer's board should have a written continuous disclosure policy."*

Plexure is committed to notifying the market through full and fair disclosure to the NZX of any material information related to its business required by applicable listing rules. The Market Disclosure Policy assists the Board with the need to keep Plexure's investors and markets informed through a timely, clear and balanced approach which communicates both positive and negative news.

Plexure has appointed its Chief Financial Officer (CFO) as the Disclosure Officer. The CEO and the executive team are required to provide all material information to the Disclosure Officer.

Recommendation 4.2 Make key documents available

"An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website."

Plexure's Code of Conduct, board and committee charters, and other policies recommended in the NZX Code, together with other key governance documents are available on Plexure's website.

Recommendation 4.3 Financial reporting

"Financial reporting should be balanced, clear and objective. An issuer should provide non- financial disclosure at least annually, including considering material exposure to environmental, economic and social sustainability risks and other key risks. It should explain how it plans to manage those risks and how operational or non-financial targets are measured. Non financial-reporting should be informative, include forward looking assessment, and align with key strategies and metrics monitored by the board."

The ARC plays a central role in Plexure's commitment to transparent reporting of its financial and non-financial performance. The ARC Charter clearly defines the roles of the board, the ARC, the executive, and external auditors.

Financial reporting

The executive is responsible for implementing and maintaining appropriate accounting and financial reporting principles, policies, and internal controls designed to ensure compliance with accounting standards and applicable laws and regulations.

Plexure's external auditor, Deloitte, is responsible for planning and carrying out each external audit and review in line with applicable auditing and review standards. Deloitte is accountable to shareholders through the ARC and the board respectively. The board retains overall responsibility for financial reporting.

The ARC makes sure that it and the full board are sufficiently informed about good-practice financial reporting and Plexure's operations to know whether financial reporting is fit for purpose. This means it represents a balanced viewpoint, is factual and complete, and is effectively implemented.

Non-Financial reporting

Plexure has not adopted environmental, social and governance reporting.

Principle 5: Remuneration

"The remuneration of directors and executives should be transparent, fair and reasonable."

Recommendation 5.1 Director remuneration

"An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report."

As at the date of this annual report Plexure has not conducted an annual review of its non-executive director fees since the company has been incorporated. Where a review indicated the pool should be increased, this would be put to a shareholder vote by resolution at the annual shareholders meeting.

Directors remuneration received in FY19

	Board Fees	Salary and Bonus
Phil Norman (Chair)	50,000	-
Sharon Hunter	35,000	-
Brian Russell	35,000	-
Craig Herbison (appointed 19 June 2018)	-	457,145
Tim Cook (resigned 8 August 2018)	12,425	-
Scott Bradley (resigned 29 May 2018)	5,832	-

Recommendation 5.2 Remuneration policy for directors and officers

"An issuer should have a remuneration policy for remuneration of directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria."

Plexure's Board and Executive remuneration policy which is published on Plexure's website sets out policies which are designed to be fair, simple and transparent. It is designed to promote a high-performance culture and to align remuneration to the development and achievement of strategies and business objectives to create sustainable value for shareholders.

Remuneration of directors

None of the directors is entitled to any remuneration from Plexure other than directors' fees and reasonable travel, accommodation, and other expenses incurred in the course of performing duties or exercising powers as directors. No directors are entitled to any retirement benefits.

Remuneration of Plexure employees including executives

Plexure provides the opportunity for the employees to receive, where performance merits, a total remuneration package for equivalent market-matched roles. Plexure's Remuneration Committee reviews the annual performance appraisal outcomes for all Executive Team members, including the Chief Executive Officer. The review takes into account external benchmarking to ensure competitiveness with comparable market peers, along with consideration of an individual's performance, skills, expertise and experience.

Total remuneration is made up of three components being: fixed remuneration, short-term performance-based cash remuneration and long-term performance-based equity remuneration.

Fixed Remuneration

Fixed remuneration consists of base salary and benefits where applicable (generally based on local requirements).

Short-Term Incentive

Short-term incentives (STI) are at-risk payments designed to motivate and reward for performance, typically in that financial year. The target value of an STI payment is set annually, usually as a percentage of the executive's base salary. The relevant percentage ranges from 20% to 50%.

Long Term Incentives - Options

In August 2012, the Group established a share option plan that entitles employees to purchase shares in the Company. In accordance with the terms of issue of the options, holders are entitled to acquire shares at the price determined at the time the options were issued.

The granting of options is designed to align the rewards for Executive Team members with the enhancement of shareholder value over a multi-year period. The options vest over three years and must be exercised within five years.

The number of options granted to the Executive team is determined by the Board.

Evaluating performance

Plexure's Executive will evaluate staff performance at year end. The board is responsible for monitoring the performance of the CEO and the executive team against established objectives.

All of Plexure's permanent employees, including management, have undertaken performance reviews in 2019.

Plexure's employee remuneration tables

The data in this section relates to Plexure permanent employees only.

Plexure notes the high proportion of employees earning above $100,000 reflects Plexure's business model and the demand for skill staff particularly in the Technology sector.

During the period employees, including executive directors, within the Group received annualised remuneration, termination payments and benefits which exceeded $100,000 as follows:

	2019			2018		
	NZ Entity	Intl Entity	Total	NZ Entity	Intl Entity	Total
$100-$110,000	1	-	1	5	-	5
$110-$120,000	4	2	6	3	-	3
$120-$130,000	2	-	2	5	-	5
$130-$140,000	-	-	-	-	1	1
$140-$150,000	6	1	7	2	-	2
$150-$160,000	1	-	1	-	-	-
$160-$170,000	-	-	-	1	-	1
$170-$180,000	1	1	2	-	-	-
$180-$190,000	-	-	-	1	-	1
$190-$200,000	-	-	-	-	-	-
$210-$220,000	-	-	-	-	-	-
$220-$230,000	-	-	-	-	-	-
$230-$240,000	-	-	-	1	1	2
$240-$250,000	-	-	-	-	-	-
$250-$260,000	-	-	-	-	-	-
$260-$270,000	-	-	-	1	-	1
$270-$280,000	1	-	1	1	-	1
$280-$290,000	-	-	-	-	-	-
$290-$300,000	-	-	-	-	-	-
$300-$310,000	-	-	-	-	-	-
$310-$320,000	1	-	1	-	-	-
$320-$330,000	-	-	-	-	-	-
$330-$340,000	-	-	-	-	-	-
$340-$350,000	-	-	-	-	-	-
$350-$360,000	-	-	-	-	-	-
$360-$370,000	-	-	-	-	-	-
$370-$380,000	-	-	-	-	-	-
$380-$390,000	-	-	-	-	-	-
$390-$400,000	-	-	-	-	-	-
$400-$410,000	-	-	-	-	-	-
$410-$420,000	-	-	-	-	-	-
$420-$430,000	-	-	-	-	-	-
$430-$440,000	-	-	-	-	-	-
$440-$450,000	-	-	-	-	-	-
$450-$460,000	1	-	1	-	-	-
	18	**4**	**22**	**20**	**2**	**22**

Recommendation 5.3 CEO remuneration

"An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short term incentives and long-term incentives and the performance criteria used to determine performance based payments."

In FY19, Craig had a base salary of $300,000 per annum. The base salary is reviewed annually with effect from 1 April each year. In addition to his base salary, he may also be paid an annual Short-Term Incentive (STI) payment with an on-target value of 50 percent of his base salary. Payment of an STI is at the board's discretion and is assessed in the first quarter of each financial year, based on business performance in the previous financial year.

Craig is also entitled to share options. The size of the package of options is determined by the Remuneration Committee. For further information on the CEOs salary see the additional NZX disclosures.

Principle 6: Risk management

"Directors should have a sound understanding of the key risks faced by the business, and should regularly verify there are appropriate processes to identify and manage these."

Recommendation 6.1 Risk management framework

"An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. A framework should also be put in place to manage any existing risks and to report the material risks facing the business and how these are being managed."

Plexure's risk management policy is published on its website. Plexure has a number of risk management policies, as well as related internal compliance systems that are designed to:

(a) optimise the return to, and protect the interests of, stakeholders;
(b) safeguard Plexure's assets and maintain its reputation;
(c) improve Plexure's operating performance; and
(d) fulfil Plexure's strategic objectives.

The risk management approach focuses on management of the following material business risks:

1. Operating risks;
2. Financial risks;
3. Organisational risks; and
4. Corporate risks.

The Board is ultimately responsible for overseeing the effectiveness of the risk management system, and the adequacy of the internal compliance and controls, which it believes should be monitored and managed on a continuing basis. Plexure has in place number of mechanisms and internal controls intended to identify and manage areas of material business risk.

The Audit and Risk Committee (ARC) is responsible for oversight, monitoring, and reviews. The CEO is responsible for promoting a culture of proactively managing risks, and reporting to the ARC.

Recommendation 6.2 Health and safety risks

"An issuer should disclose how it manages its health and safety risks and should report on their health and safety risks, performance and management."

Plexure has appointed an internal health and safety officer who receives appropriate training on an ongoing basis. Plexure maintains a risk register and the Board receives an updated risk register and report on a monthly basis at the Board meeting.

Due to the size and nature of Plexure's business and associated health and safety risks we do not currently report externally on Health & Safety.

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Principle 7: Auditors

"The board should ensure the quality and independence of the external audit process."

Recommendation 7.1 Establish a framework

"The board should establish a framework for the issuer's relationship with its external auditors."

Plexure's External Auditor Independence Policy sets out the work that the external auditor is required to do and specifies the services that the external auditor is not permitted to do. This ensures the ability of the auditor to carry out their role is not impaired and could not be reasonably perceived to be impaired.

All non-audit work that the external auditor performs must be approved by the Chair of the ARC. The approval details what work is to be performed and how auditor independence and objectivity are maintained. The policy requires that the development of local and overseas practice for other related assurance services be continuously monitored so that Plexure's policies comply with best practice.

Deloitte has been the external auditor of Plexure for 6 years. The tenure and reappointment procedure of the external auditor is detailed in the External Auditor Independence Policy.

Plexure is committed to having financial reports externally audited to ensure they meet international accounting standards.

Recommendation 7.2 External auditor attend Annual Meeting

"The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit."

In the past, Plexure's external auditors have attended the Annual Shareholders' Meeting (ASM), where they have been available to answer shareholders' questions about the audit. Plexure expects the auditor to attend the 2019 ASM.

Recommendation 7.3 Internal audit

"Internal audit functions should be disclosed."

Plexure does not have an internal audit function.

Principle 8: Shareholder rights and relations

"The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Recommendation 8.1 Website

"*An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer."*

The investor section of Plexure's website contains financial and operational information and key corporate governance information.

Recommendation 8.2 Investor communications

"An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically."

Plexure communicates with shareholders through multiple channels throughout the year: continuous market disclosure, half-year and full-year reporting, investor roadshow meetings and an Annual Shareholders' Meeting.

Plexure provides and advocates for the option for investors to receive communications electronically, to and from both Plexure and its share register.

Shareholders can directly access our CEO and CFO who respond directly to shareholder phone calls and emails.

Recommendation 8.3 Shareholder right to vote

"Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested in."

Major decisions that may change the nature of Plexure's business are presented as resolutions at the ASM and voted on by shareholders.

Recommendation 8.4 One vote per share

"Issuers should respect the principle of one vote per share and as such count votes at a meeting of shareholders by poll".

Plexure's shareholders receive one vote per share, which is equal with all other shareholders.

Recommendation 8.5 Notice of Annual Meeting

"The board should ensure that the annual shareholders notice of meeting is posted on the issuer's website as soon as possible and at least 20 days prior to the meeting."

Each year, the annual shareholders notice of meeting is sent to shareholders by mail and email at least 20 days before the meeting.

NZX Additional Reporting

1. Substantial Product Holders

Pursuant to section 280 of the Financial Markets Conduct Act 2013, the following persons had given notice as at the balance date of 31 March 2019 that they were substantial product holders in the Company:

Name	No. of Shares	% of Issued Shares
Forsyth Barr Custodians Limited	17,009,671	13.55
Allectus Capital Limited	10,583,095	8.43
Jarden Custodians Limited	9,250,000	7.37
JML Capital Limited	8,650,974	6.89
Sharbo Ulc	7,681,095	6.12

2. Spread of Security Holders at 31 March 2019

	Shareholders		Shares	
	Number	%	Number	%
1 – 999	3	0.25	313	0.00
1,000 – 4,999	364	30.16	961,487	0.76
5,000 – 9,999	203	16.82	1,390,122	1.11
10,000 – 99,999	505	41.84	14,875,569	11.85
100,000 – 499,999	99	8.20	20,252,520	16.13
500,000 – 999,999	14	1.16	9,442,633	7.52
1,000,000 and above	19	1.57	78,628,619	62.63
TOTAL	1,207	100.00	125,551,263	100.00

3. Twenty Largest Equity Security Holders

The names of the 20 largest holders of ordinary issued shares as at 31 March 2019 are listed below.

Top 20 Shareholders	No. of Issued Ordinary Shares	% Issued
Forsyth Barr Custodians Limited	17,009,671	13.55
Allectus Capital Limited	10,583,095	8.43
Jarden Custodians Limited	9,250,000	7.37
JML Capital Limited	8,650,974	6.89
Sharbo Ulc	7,681,095	6.11
HSBC Nominees (New Zealand) Limited - NZCSD	4,151,599	3.31
Collins Asset Management Limited	3,838,692	3.06
Philip John Norman	3,194,405	2.54
Accident Compensation Corporation	2,178,311	1.73
Accident Compensation Corporation - NZCSD	2,000,000	1.59
Jaobq Pty Limited	1,257,143	1.00
Forsyth Barr Custodians Limited	1,240,196	0.99
ASB Nominees Limited	1,236,000	0.98
Maarten Arnold Janssen	1,153,491	0.92
Lamb Equities Limited	1,119,358	0.89
MK 1 Trustee Limited	1,084,589	0.86
Wairahi Holdings Limited	1,000,000	0.80
Scott John Bradley	1,000,000	0.80
Alan Michael Turner & Tracey Maree Turner	1,000,000	0.80
Beena Harshavardhan Jog	900,000	0.72
	79,528,619	63.35

4. Interests Register

There were no transactions between the Group and Directors during the year other than their remuneration for Director services, and in Craig Herbison's case for remuneration as CEO.

5. Directors' Remuneration

Directors' remuneration is as follows:		2019 $	2018 $
Phil Norman	Chairman fee	50,000	50,000
Sharon Hunter	Director fee	35,000	35,000
Brian Russell	Director fee	35,000	16,750
Scott Bradley (resigned 29 May 2018)	Salary Director fee	- 5,832	193,968 11,099
Craig Herbison (appointed 19 June 2018)	Salary and Benefits Director fee	457,145 -	170,464 -
Tim Cook (resigned 8 August 2018)	Director fee	12,435	35,000

6. Directors' Equity Security Holdings

Details of director equity securities holdings as at 31 March 2019 are set out below:

Name of Director		Beneficially	Associated Persons
Phil Norman	Shares	3,194,405	9,362

7. Share Dealing

Tim Cook (resigned 8 August 2018) sold 476,847 shares during the year ended 31 March 2019.

Scott Bradley (resigned 29 May 2018) sold 8,000,000 shares in the off-market transactions during the year ended 31 March 2019.

8. Directors' Loans

There were no loans from the Group to Directors.

9. Use of Company Information

The Board received no notices during the year from directors requesting to use the Group information received in their capacity as directors which would not have been otherwise available to them.

10. Dividend

The Directors recommend that no dividend be paid in relation to ordinary shares on issue.

11. CEO's salary

In FY19, Craig had a base salary of $300,000 per annum. The base salary is reviewed annually with effect from 1 April each year.

In addition to his base salary, Craig may also be paid an annual Short-Term Incentive (STI) payment with an on-target value of 50 percent of his base salary. Payment of an STI is at the board's discretion and is assessed in the first quarter of each financial year, based on business performance in the previous financial year.

Craig is also entitled to share options. The size of the package of options is determined by the Remuneration Committee. As at 31 March 2019 Craig had 3,000,000 options granted to him.

12. Remuneration of Auditors

	2019 $'000	2018 $'000
Audit of the financial statements	95	40
Tax compliance services	30	23
Ancillary assurance services	35	25
	160	88

The auditor of the Group is Deloitte Limited for the year ended 31 March 2019.

13. Donations

The Group made no donations during the year ended 31 March 2019 (2018: Nil).

14. Directors Holding Office

The names of the Directors of the Group, who held office during and since the end of the year are:

Phil Norman
Sharon Hunter
Brian Russell
Scott Bradley (resigned: May 2018)
Craig Herbison (appointed: June 2018)
Tim Cook (resigned: August 2018)
Robert Bell (appointed: April 2019)

Directory

As at 31 March 2019

Company Number	244518
NZ Business Number	9429039937803
Directors	Phil Norman – Chairman Sharon Hunter Brian Russell Scott Bradley (resigned 29 May 2018) Craig Herbison (appointed 19 June 2018) Tim Cook (resigned 8 August 2018)
Registered Office	Level 4, 37 Galway Street Britomart Auckland
Postal Address	PO Box 90722 Victoria Street West Auckland
Share Registrar	Computershare Investor Services Limited Private Bag 92119 Auckland Phone: 09 488 8700 Fax: 09 488 8787
Auditors	Deloitte Limited Private Bag 115033 Shortland Street Auckland
Bankers	ASB Bank PO Box 35 Shortland Street Auckland
Solicitors	Bell Gully PO Box 1291 Wellington
Website	www.plexure.com