Trade Window Limited

Annual report 2021

Report contents

Directors' declaration

In the opinion of the Directors of Trade Window Limited ('the Company') the financial statements and notes, on pages 3 to 27:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Company as at 31 March 2021 and the result of operations for the year ended on that date;
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

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

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

The Directors are pleased to present the annual report including the financial statements of Trade Window Limited for the year ended 31 March 2021.

Nigel Charles Annett
Director

Date: 3 August 2021

Albertus Johannes Smith
Director

Date: 3 August 2021

Directory

Incorporation number	7125046
Principal activities	Develop and commercialise technology solutions that provide international trade participants with a secure platform and tools to establish trust and trade globally in an efficient manner across interconnected networks
Registered office	TradeWindow Company Secretary Level 4, Partners Life House 33-45 Hurstmere Road, Takapuna Auckland 0622 New Zealand
Directors	Nigel Charles Annett Kerry Friend Albertus Johannes Smith

Shareholders	Technalise Limited	3,000,003 ordinary shares
	ASB Bank Limited	1,266,668 ordinary shares
	Prodoc Limited	476,190 ordinary shares
	Holding des Mers du Sud	414,240 ordinary shares
	Rae Family Trust	165,696 ordinary shares
	Fibema Family Trust	64,207 ordinary shares
	Equitise Nominees Limited	60,065 ordinary shares
	Invicta Venture Investments Limited	41,424 ordinary shares
	Carerra Investments Limited	41,424 ordinary shares
	Ngatoto Trust	55,849 ordinary shares
	Masambri Holdings Limited	55,849 ordinary shares
	Simeon Rae Family Trust	20,712 ordinary shares
	Olsen Investment Trust	20,712 ordinary shares
	Trade Window Nominees Limited	97,433 ordinary shares
		5,780,472 ordinary shares

Auditor	KPMG KPMG Centre 18 Viaduct Harbour Avenue Auckland 1010 New Zealand

Consolidated statement of comprehensive income

For the year ended 31 March 2021
in New Zealand dollars

	Note	2021 $	2020 $
Revenue	3	1,641,840	357,277
Other income	4	701,936	280,968
Expenses			
Employee benefits expense		(6,342,880)	(2,620,767)
Depreciation and amortisation		(1,069,502)	(277,559)
Other expenses		(1,864,513)	(837,266)
Total expenses		(9,276,895)	(3,735,592)
Operating loss before financing costs		(6,933,119)	(3,097,347)
Finance income		1,186	869
Finance expenses		(142,223)	(33,872)
Net financing costs	5	(141,037)	(33,003)
Loss before income tax		(7,074,156)	(3,130,350)
Income tax benefit	6	475,902	(2,458)
Loss for the year		(6,598,254)	(3,132,808)
Exchange differences on translation of foreign operations		847	(2,446)
Other comprehensive income/(loss) for the year, net of income tax		847	(2,446)
Total comprehensive loss for the year		(6,597,407)	(3,135,254)
Loss attributable to:			
Owners of the company		(6,598,254)	(3,127,133)
Non-controlling interest		-	(5,675)
Total Loss for the year		(6,598,254)	(3,132,808)
Total comprehensive Loss attributable to:			
Owners of the company		(6,597,407)	(3,129,579)
Non-controlling interest		-	(5,675)
Total comprehensive loss for the year		(6,597,407)	(3,135,254)

Consolidated statement of financial position

As at 31 March 2021
in New Zealand dollars

	Note	2021 $	2020 $
Assets			
Current assets			
Cash and cash equivalents	7	1,413,224	1,298,421
Trade and other receivables	8	557,957	323,697
Accrued income		51,929	-
Total current assets		2,023,110	1,622,118
Non-current assets			
Trade receivable		18,057	-
Property, plant and equipment	9	165,551	213,806
Right of use assets	10	38,329	728,819
Intangible assets	11	3,892,659	4,649,381
Total non-current assets		4,114,596	5,592,006
Total assets		**6,137,706**	**7,214,124**
Liabilities			
Current liabilities			
Bank overdraft	7	-	311,470
Trade and other payables	12	781,509	425,785
Interest bearing loans and borrowings	13	489,864	851,946
Related party payables	15	40,470	115,687
Income tax payable	6	1,661	2,195
Lease liabilities	10	39,704	273,047
Dividend payable		30,380	-
Deferred income		39,831	215,217
Total current liabilities		1,423,419	2,195,347
Non-current liabilities			
Interest bearing loans and borrowings	13	1,220,147	1,067,085
Lease liabilities	10	-	458,602
Total non-current liabilities		1,220,147	1,525,687
Total liabilities		**2,643,566**	**3,721,034**
Equity			
Share capital	18	6,147,047	5,153,545
Retained earnings		(9,761,442)	(3,127,133)
Convertible notes	19	6,818,964	1,000,000
Foreign currency translation reserve		4,946	(2,446)
Share based payments reserve		284,625	58,299
Equity attributable to the owners of the Company		3,494,140	3,082,265
Non-controlling interest		-	410,825
Total equity		3,494,140	3,493,090
Total liabilities and equity		**6,137,706**	**7,214,124**

KPMG

Consolidated statement of changes in equity

For the year ended 31 March 2021
in New Zealand dollars

	Note	Share capital	Retained earnings	Equity components of convertible notes	Foreign currency translation reserve	Share based payment reserve	Total	Non-controlling interest	Total equity
		$	$	$	$	$	$	$	$
Balance at 1 April 2020		5,153,545	(3,127,133)	1,000,000	(2,446)	58,299	3,082,265	410,825	3,493,090
Total comprehensive expense for the year									
Loss for the year		-	(6,598,254)	-	-	-	(6,598,254)	-	(6,598,254)
Other comprehensive income/(expense)		-	-	-	847	-	847	-	847
Total comprehensive expense for the year		-	(6,598,254)	-	847	-	(6,597,407)	-	(6,597,407)
Transactions with owners of the company									
Issue of capital / dividend to shareholders	18	(64,463)	(30,380)	-	-	-	(94,843)	-	(94,843)
Adjustment to foreign currency		-	-	-	6,545	-	6,545	-	6,545
Issue of convertible notes	19	-	-	5,818,964	-	-	5,818,964	-	5,818,964
Share issue on restructure	17,18	416,500	(5,675)	-	-	-	410,825	(410,825)	-
Share options exercised	18	641,465	-	-	-	-	641,465	-	641,465
Equity-settled share based payments		-	-	-	-	226,326	226,326	-	226,326
Total transactions with owners		993,502	(36,055)	5,818,964	6,545	226,326	7,009,282	(410,825)	6,598,457
Balance at 31 March 2021		6,147,047	(9,761,442)	6,818,964	4,946	284,625	3,494,140	-	3,494,140

Consolidated statement of changes in equity (continued)

For the year ended 31 March 2021
in New Zealand dollars

	Note	Share capital $	Retained earnings $	Equity components of convertible notes $	Foreign currency translation reserve $	Share based payment reserve $	Total $	Non-controlling interest $	Total equity $
Balance at 1 April 2019		-	-	-	-	-	-	-	-
Total comprehensive expense for the year									
Loss for the year		-	(3,127,133)	-	-	-	(3,127,133)	(5,675)	(3,132,808)
Other comprehensive income/(expense)		-	-	-	(2,446)	-	(2,446)	-	(2,446)
Total comprehensive expense for the year		-	(3,127,133)	-	(2,446)	-	(3,129,579)	(5,675)	(3,135,254)
Transactions with owners of the company									
Issue of capital to shareholders	18	5,153,545	-	-	-	-	5,153,545	-	5,153,545
Issue of convertible notes	19	-	-	1,000,000	-	-	1,000,000	-	1,000,000
Non-controlling interest recognised on acquisition	17	-	-	-	-	-	-	416,500	416,500
Equity-settled share based payments		-	-	-	-	58,299	58,299	-	58,299
Total transactions with owners		5,153,545	-	1,000,000	-	58,299	6,211,844	416,500	6,628,344
Balance at 31 March 2020		5,153,545	(3,127,133)	1,000,000	(2,446)	58,299	3,082,265	410,825	3,493,090

Consolidated statement of cash flows

For the year ended 31 March 2021
in New Zealand dollars

	Note	2021 $	2020 $
Cash flows from operating activities			
Cash received from customers		1,672,594	159,603
Cash paid to suppliers and employees		(7,283,439)	(2,885,097)
Income tax received		475,368	(263)
Grant income		559,446	181,842
Net cash (to) operating activities		(4,576,031)	(2,543,915)
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		5,138	-
Acquisition of subsidiary		-	(533,500)
Acquisition of property, plant and equipment	9	(118,387)	(228,031)
Net cash (to) investing activities		(113,249)	(761,531)
Cash flows from financing activities			
Interest paid on lease liability	10	(7,944)	(4,930)
Proceeds from issue of share capital		(64,463)	3,453,545
Proceeds from issue of convertible notes	19	5,818,964	1,000,000
Repayment of borrowings		(616,614)	(68,260)
Payment of lease liabilities	10	(289,494)	(59,885)
Proceeds from exercise of share options		603	-
Proceeds from borrowings		400,000	-
Interest paid		(126,685)	(28,942)
Interest received		1,186	869
Net cash from financing activities		5,115,553	4,292,397
Net increase		426,273	986,951
Opening cash and cash equivalents 1 April		986,951	-
Closing cash and cash equivalents 31 March	7	1,413,224	986,951

Notes to the consolidated financial statements

1 Reporting entity

Trade Window Limited (the "Company") is a limited liability company incorporated and domiciled in New Zealand and registered under the Companies Act 1993.

Consolidated financial statements for the Group are presented. The consolidated financial statements of Trade Window Limited as at and for the year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "subsidiaries"). The Company was incorporated on 8 December 2018 and began trading during the 2020 financial year; which was the first year for which financial statements were prepared.

The subsidiaries are set out in note 16.

The Group's principal activity is develop and commercialise technology solutions that provide international trade participants with a secure platform and tools to establish trust and trade globally in an efficient manner across interconnected networks.

2 Basis of preparation

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP'). They comply with the New Zealand Equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR') and other applicable Financial Reporting Standards, as appropriate for Tier 2 for-profit entities.

The Group is eligible to report under Tier 2 For-Profit Accounting Standards on the basis that it does not have public accountability.

The financial statements were authorised for issue by the directors on the date included on page 1. The Group is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

All accounting policies set out below have been consistently applied to all periods presented in these financial statements. Where applicable, certain comparatives have been reclassified to comply with the accounting presentation adopted in the current year to ensure consistency with the current year classification.

Going concern

The Group prepares its financial statements on a going concern basis and expects to be able to realise its assets and meet its financial obligations in the normal course of business.

The Group is a start up organisation that is currently investing heavily in the development of a CUBE platform and associated products that enable export operations to be managed seamlessly including compliance, risk management, finance and insights capabilities. For the year ended 31 March 2021 the Group reported a loss of $6.6 million, had negative operating cashflows of $4.6 million, and is projected to continue to incur expenditure in excess of revenue for a period of at least 12 months from the date of issuing these financial statements. For the Group to continue as a going concern, it is dependent on its ability to continue to raise significant debt and equity funding to support continued product development and commercialisation of its products.

To ensure the Group has sufficient liquidity in the foreseeable future management forecasts the Group's financial performance, cashflows and financial position in order to understand the Group's funding requirements for a period of at least 12 months from the date of issuing these financial statements.

In preparing these financial forecasts, the following assumptions have been made for the 16 month period ending 31 July 2022:

- Commercial success of the Cube platform and associated products generating revenues of $9.4 million, including revenues of $2.9 million relating to the Group's existing Prodoc operations, and $2.7 million from TradeWindow Freight operations recently acquired.
- Operating and product development expenditure of $19.7 million with an ability to defer $1.4 million of this expenditure.
- Raising debt and equity funding of $15.0 million.

At the date of issuing these financial statements total revenues from the sale of CUBE products was not yet material with the commercial feasibility and the sale of these products at scale still to be proven. Additionally, the Group has raised debt and equity funding of $11.7 million post balance date and is still to secure $3.3 million of the Groups projected funding requirements.

As a consequence, the Directors believe there is material uncertainty concerning the Group's ability to achieve its financial forecasts which may cast significant doubt on the Group's ability to maintain sufficient liquidity to continue as a going concern.

Should the Group not achieve its financial forecasts and raise sufficient debt and equity financing to fund projected cashflow deficits, the Group may not be able to continue as a going concern and realise the value in its assets and discharge its liabilities in the normal course of business.

The Directors consider the Group to be a going concern and believe that the Group will achieve the above financial forecasts and secure projected funding requirements such that the Group will be able to meet its contractual obligations in the foreseeable future.

Notes to the consolidated financial statements (continued)

2 Basis of preparation (continued)

Basis of measurement

The financial statements have been prepared on the historical cost basis.

These financial statements are presented in New Zealand dollars ($) which is the Group's functional currency, rounded to the nearest dollar. They have been prepared on a GST exclusive basis except for receivables and payables that are stated inclusive of GST.

Use of estimates and judgements

The preparation of the financial statements in conformity with NZ IFRS RDR requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The principal areas of judgement in preparing these financial statements are set out below. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 2 Going concern.
- Note 3, Revenue recognition.
- Note 10 Leases, on determining whether a contract contains a lease, lease terms, incremental borrowing rate and lease renewal options.
- Note 11 Intangible assets, on the estimated useful lives of intangible assets and impairment of Goodwill.
- Note 17 Acquisition of subsidiary: fair value of the consideration transferred and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.
- Note 19 Convertible Notes, on its classification as equity.

Covid-19

The outbreak and spread of Covid-19, and the governmental lock down response during the financial year, negatively impacted the Group's product development and launch timelines and slowed it's 2020 capital raise process. The Group took actions to manage its cash flows during this period by reducing discretionary spending, and imposing salary reductions for a three-month period for all staff, rewarding staff through share-based payments in lieu of reduced salaries. Being eligible the Group applied for and received wage subsidies from the New Zealand Government in connection to the COVID19 pandemic in April and August 2020, totalling $299,930.

New accounting standards and interpretations

Amendments to NZ IFRS 3 Business Combinations

The Group has applied Definition of a Business (*Amendments to NZ IFRS 3*) from 1 April 2020. The amendments to the Standard updates to definition of a business for the purpose of business combinations, and introduces an optional concentration test which permits a simplified assessment of whether an acquired set of activities and assets is a business. The details of the accounting policies for business combinations are set out below in note 2.

Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identified net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit and loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit and loss.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Notes to the consolidated financial statements (continued)

2 Basis of preparation (continued)

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit and loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Inter-company (refer to Note 16) balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Impairment

The carrying amounts of the Group’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill and indefinite-lived intangible assets are tested annually for impairment.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the consolidated financial statements (continued)

3 Revenue

Revenue from contracts with customers disaggregated by major revenue lines:	2021	2020
	$	$
Transactional revenue	872,918	226,603
Subscription revenue	420,313	130,674
Service revenue	143,777	-
Installation revenue	204,832	-
	1,641,840	357,277

Contract balances

	2021	2020
	$	$
Receivables, which are included in "Trade and other receivables"	191,079	294,354
Contract assets	51,929	-
Contract liabilities	(39,831)	(215,217)
	203,177	79,137

The contract assets primarily relate to the Group's rights to consideration for work completed, but not billed at the reporting date. The contract assets are transferred to receivables, when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised over time.

Revenue policy

Revenue is recognised and measured at the fair value of the consideration received or receivable for the provision of services. Revenue is disclosed net of credit notes and discounts.

Unbilled revenue at year end is recognised as accrued income and is classified as a contract asset. Any unearned revenue at year end is recognised as income in advance.

Transactional revenue

Transactional revenue comprises the revenue from per-shipment charges. The Group has assessed that it has only one performance obligation which is satisfied at point in time when the transaction is processed through TW software. Customers are invoiced on regular weekly or monthly cycles. Payment terms are typically on a 20-day term.

Subscription revenue

Subscription revenue comprises the recurring monthly or annual fees from customers to TW's software products. The Group has assessed that it has only one performance obligation which is satisfied over time as the services are delivered to the customer. Customers are invoiced monthly or annually. Payment terms are typically on a 20-day term.

Service Revenue

Service revenue comprises the revenue from per-service charges. The Group has assessed that it has only one performance obligation which is satisfied over time as the services are delivered to the customer. Customers are invoiced monthly. Payment terms are typically on a 20-day term.

Installation Revenue

Installation revenue comprises initial one-off customisation setup charges. The Group has assessed that it has only one performance obligation which is satisfied over time over the term of the contract. Customers are invoiced on an upfront basis or on a monthly instalment basis. Payment terms are typically on a 20-day term.

Notes to the consolidated financial statements (continued)

4 Other income

	2021 $	2020 $
Grant income	359,011	280,530
Wage subsidy	299,930	-
Other income	42,995	438
	701,936	280,968

Grant income and wage subsidy

Other income includes government grant income. Where the grant relates to expenditure, it is recognised as income over the periods in which the expenditure is incurred. The Group issues an invoice each month for the eligible project expenditure along with a project update and at the end of the contract term for the expenditure grants.

The Group is entitled to the Government's R&D project grant scheme which makes them eligible to a percentage reimbursement of project related costs through Callaghan Innovation. The Group is also entitled to the R&D experience funding grant for someone engaged in undergraduate or postgraduate study to work on a R&D project. During the period Government grant income of $359,011 was received from Callaghan Innovation.

The Group received a government grant during the financial year, amounting to $299,930 in relation to a wage subsidy programme introduced in New Zealand in response to the COVID-19 coronavirus pandemic. The grant was recognised in profit or loss in 'other income' as the related wages and salaries for employees were recognised. There is no outstanding balance of deferred income or receivable related to this grant as at 31 March 2021.

5 Net financing costs

	2021 $	2020 $
Interest income	1,186	869
Finance income	1,186	869
Interest expense	(134,279)	(28,942)
Interest on lease liabilities	(7,944)	(4,930)
Finance expense	(142,223)	(33,872)
Net financing costs	(141,037)	(33,003)

Finance income and expenses policy

Finance income comprises interest income on funds invested using the effective interest method.

Finance costs comprise interest expense on borrowings and interest on lease liabilities.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Notes to the consolidated financial statements (continued)

6 Income tax

	2021 $	2020 $
Tax recognised in profit or loss		
Current tax expense		
Current period	(475,902)	2,458
Total current tax expense	(475,902)	2,458
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total deferred tax expense	-	-
Total income tax benefit	(475,902)	2,458
Reconciliation of effective tax rate		
Loss before tax	(7,074,156)	(3,130,350)
Income tax using the Group's domestic tax rate of 28%	(1,980,764)	(876,497)
Permanent differences	11,625	40,345
Deferred tax not recognised in current year	1,953,099	838,610
Utilisation of tax losses previously unrecognised	(475,902)	-
Effect of different tax rates	16,040	-
Income tax expense/(benefit)	(475,902)	2,458

The current tax liability of $1,661 (2020: $2,195) represents the amount of income taxes payable in respect of the current period.

The Group has $6,975,636 (2020: $2,995,036) of deductible temporary differences for which no deferred tax asset has been recognised in the statement of financial position.

Income tax policy

Tax expense comprises current and deferred tax and is calculated using rates enacted or substantively enacted at balance date. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is recognised as an adjustment against the item to which it relates.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of goodwill. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Notes to the consolidated financial statements (continued)

7 Cash and cash equivalents

	2021	2020
	$	$
Bank accounts	1,413,224	1,298,421
Bank overdraft	-	(311,470)
Total cash and cash equivalents in the statement of cash flows	1,413,224	986,951

The bank accounts comprise cash balances held with ASB Bank Limited of $1,314,649 (2020: $986,951), which is a related party.

In the prior financial year, the Group also had an overdraft facility with ASB Bank limited to a maximum of $150,000; which was temporarily increased to $350,000. The interest rate at balance date was 6.03% per annum.

Cash and cash equivalents policy

Cash and cash equivalents comprises cash balances and call deposits used by the Group in the management of its short-term commitments.

8 Trade and other receivables

	2021	2020
	$	$
Trade receivables	191,079	294,354
Other receivables	174,613	-
Prepayments	192,265	29,343
	557,957	323,697

Bad debt expense of $nil (2020: $nil) has been recorded within other expenses in the statement of comprehensive income.

Trade and other receivables policy

Trade and other receivables are initially recognised at fair value, being their cost, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Impairment is calculated based on an expected credit loss (ECL) model under NZ IFRS 9. Refer to note 14 for information about calculation and recognition of expected credit losses. The amount of the provision is recognised in profit and loss.

There was no provision for impairment recognised during the year.

Notes to the consolidated financial statements (continued)

9 Property, plant and equipment

	Leasehold improvements	Motor vehicles	Furniture and fittings	Plant and equipment	Total
	$	$	$	$	$
Cost					
Balance at 1 April 2020	43,100	50,078	16,500	126,041	235,719
Additions	29,572	-	6,600	82,215	118,387
Disposals	(72,672)	(12,174)	(899)	(14,194)	(99,939)
Balance at 31 March 2021	-	37,904	22,201	194,062	254,167
Depreciation and impairment losses					
Balance at 1 April 2020	496	4,363	549	16,505	21,913
Depreciation for the year	7,728	10,303	2,126	62,657	82,814
Disposals	(8,224)	(3,622)	(73)	(4,192)	(16,111)
Balance at 31 March 2021	-	11,044	2,602	74,970	88,616
Carrying amount					
At 31 March 2021	-	26,860	19,599	119,092	165,551
At 31 March 2020	42,604	45,715	15,951	109,536	213,806

Property, plant and equipment policy

Recognition and measurement

All property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss within other income or other expenses**.**

Depreciation

For property, plant and equipment, depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The depreciation rates for significant items of property, plant and equipment are as follows:

Leasehold improvements			7.00 %
Motor vehicles			21.00 %
Furniture and fittings			10.50 %
Plant and equipment	30.00	to	67.00 %

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in profit and loss.

There was no impairment for assets recognised for during the year.

Notes to the consolidated financial statements (continued)

10 Leases

Right of use assets

	Buildings $	Total $
Cost		
Balance at 1 April 2020	791,534	791,534
Remeasurement of right of use asset	(402,451)	(402,451)
Disposals	(101,618)	(101,618)
Balance at 31 March 2021	287,465	287,465
Depreciation		
Balance at 1 April 2020	62,715	62,715
Depreciation charge for the year	229,972	229,972
Disposals	(43,551)	(43,551)
Balance at 31 March 2021	249,136	249,136
Carrying amount		
Balance at 31 March 2021	38,329	38,329
Balance at 31 March 2020	728,819	728,819

	Buildings $	Total $
Cost		
Balance at 1 April 2019	-	-
Additions	791,534	791,534
Balance at 31 March 2020	791,534	791,534
Depreciation		
Balance at 1 April 2019	-	-
Depreciation charge for the year	(62,715)	(62,715)
Balance at 31 March 2020	(62,715)	(62,715)
Carrying amount		
Balance at 31 March 2020	728,819	728,819

Lease liabilities

	2021 $	2020 $
Current	39,704	273,047
Non-current	-	458,602
Total lease liabilities	39,704	731,649

The interest rate applied to lease liabilities is 4.20%. During the period the expiry date of the building lease was brought forward to 30 May 2021.The right of use asset and corresponding lease liability were remeasured, and the adjustment recorded in the Income Statement.

Amounts recognised in profit and loss:	2021 $	2020 $
Interest on lease liabilities	7,944	4,930
Depreciation of right of use assets	229,972	62,715

Notes to the consolidated financial statements (continued)

10 Leases (continued)

Amounts recognised in statement of cash flow:	2021	2020
	$	$
Interest on lease liabilities	7,944	4,930
Principal lease payments	(289,494)	(59,885)

Leases policy

Recognition and measurement

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impairment

The right-of-use asset is regularly assessed for impairment (refer Note 2).

Notes to the consolidated financial statements (continued)

11 Intangible assets

	Software	Customer relationships	Goodwill	Total
	$	$	$	$
Cost				
Balance at 1 April 2020	3,390,605	456,016	995,691	4,842,312
Balance at 31 March 2021	3,390,605	456,016	995,691	4,842,312
Amortisation and impairment losses				
Balance at 1 April 2020	(181,530)	(11,401)	-	(192,931)
Amortisation for the year	(711,121)	(45,601)	-	(756,722)
Balance at 31 March 2021	(892,651)	(57,002)	-	(949,653)
Carrying amount				
Balance at 31 March 2021	2,497,954	399,014	995,691	3,892,659
Balance at 31 March 2020	3,209,075	444,615	995,691	4,649,381

Intangible assets policy

Recognition and measurement

Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

Software	1	to	5 years
Customer relationships			10 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

12 Trade and other payables

	2021	2020
	$	$
Trade payables	232,279	60,338
Sundry payables	1,082	231,524
Accruals	155,659	123,112
Employee benefits	392,489	226,028
	781,509	641,002

Notes to the consolidated financial statements (continued)

12 Trade and other payables (continued)

Trade and other payables policy

Trade and other payables are measured at cost, being their fair value. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits policy

Short-term employee benefits obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid for outstanding annual leave balances if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated reliably.

13 Interest bearing loans and borrowings

	2021	2020
Current	$	$
Vendor loan	235,580	607,623
ASB term loan	254,284	244,323
	489,864	851,946
Non-current		
ASB term loan	812,553	1,067,085
Callaghan R&D loan	407,594	-
	1,220,147	1,067,085
Total Interest bearing loans and borrowings	1,710,011	1,919,031

Terms and repayment schedule

	Currency	Interest rate	Maturity date	2021	2020
				$	$
Vendor loan	NZD	10.00%	17 July 2021	235,580	607,623
ASB term loan	NZD	6.25%	29 January 2025	1,066,837	1,311,408
Callaghan R&D loan	NZD	3.00%	4 August 2030	407,594	-
				1,710,011	1,919,031

The Company has met all of it's covenants during the year and as at balance date.

The ASB loan is secured over the assets of Tradewindow Services Limited together with an unlimited guarantee and indemnity from Trade Window Limited.

On 13 August 2020, the Company received an R&D loan of $400,000 from Callaghan Innovation as assistance for the economic impacts of COVID19 on the business. Loan balance at 31 March 2021 was $407,594 which included interest accrual of 3%.

Notes to the consolidated financial statements (continued)

13 Interest bearing loans and borrowings (continued)

Interest bearing loans and liabilities policy

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

14 Financial instruments classification

Financial instruments are recognised in the Statement of Financial Position when the Group becomes party to a financial contract. They include cash and cash equivalents, trade and other receivables, trade and other payables, interest bearing loans and borrowings, lease liabilities and related party payables.

Financial assets (except for trade receivables without a significant financing component) and liabilities are initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets and liabilities are classified into the following categories:

Financial assets held at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions, and is not designated as at fair value through profit and loss (FVTPL):

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amounts outstanding.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.

Financial assets held at amortised cost comprise: cash and cash equivalents and trade and other receivables.

Financial liabilities held at amortised cost

Financial liabilities not designated as at FVTPL on initial recognition are classified as at amortised cost. Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.

Financial liabilities held at amortised cost comprise: trade and other payables, interest bearing loans and borrowings, lease liabilities, and related party payables.

Impairment - financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Notes to the consolidated financial statements (continued)

15 Related parties

Key management personnel

The Group has a related party relationship with its directors and other key management personnel. Remuneration of key management personnel during the year amounted to $1,570,267 (2020: $392,733). There were no directors fees paid during the year.

Other related parties

ASB Bank Limited is a shareholder of the Group. The Group issued convertible notes amounting to $1,250,000 (see Note 19) to ASB Bank Limited. The Group has bank balances with the ASB Bank (see Note 7) as well as some interest bearing loan facilities as stated in Note 13.

Transactions involving related entities

The entities, the nature of the relationship and the types of transactions which the Group entered into during the period are detailed below:

Related entity	**Nature of relationship**	**Types of transactions**
Technalise Limited	Shareholder	Support services agreement
ASB Bank Limited	Shareholder	Funds advanced, convertible notes issued, balances payable, cash at bank
Prodoc Ltd	Shareholder	Balances payable
Independent Verification Services Limited	Common ownership	Trade Window Origin – IVS Group support services
F40 Developments Ltd	Common ownership	Consultancy agreement with Trade Window Ltd
Kerry Friend	Executive Director	Consultancy service agreement / Employment agreement
Albertus Johannes Smith	Executive Director	Employment agreement
Peter Foyston	Shareholder	Employment agreement
Trade Window Nominees Limited	Subsidiary	Registered holder of Trade Window Limited shares on trust for shares issued to staff under share option programmes totalling 97,433.

The following transactions between related parties occurred during the year:

	2021				
Related party	Purchases of goods and services	Balances payable	Interest bearing loans	Cash at bank	Convertible Notes
	$	$	$	$	$
Technalise Limited	59,681	4,552	-	-	-
ASB Bank Limited	-	-	1,066,837	1,314,649	1,250,000
Prodoc Ltd	-	-	235,580	-	-
Independent Verification Services Limited	145,475	11,914	-	-	-
F40 Developments Ltd	250,000	24,004	-	-	-
Key Management Personnel	1,570,267	-	-	-	158,964
	2,025,423	40,470	1,302,417	1,314,649	1,408,964

The related party balance payable to ASB Bank Limited is secured over the assets of Tradewindow Services Limited and interest is charged at 6.25% (refer Note 13) while interest on the loan to Prodoc Limited is charged at 10%. All other balances are unsecured and are repayable on demand. No related party debts have been written off or forgiven during the year.

Refer to Note 19 on convertible notes.

Notes to the consolidated financial statements (continued)

15 Related parties (continued)

	2020				
Related party	Purchases of goods and services	Balances payable	Interest bearing loans	Cash at bank	Convertible Notes
	$	$	$	$	$
Technalise Limited	260,080	58,754	-	-	-
ASB Bank Limited	-	-	1,311,408	986,951	1,000,000
Prodoc Ltd	-	-	607,623	-	-
Independent Verification Services Limited	37,080	19,003	-	-	-
F40 Developments Ltd	62,500	23,958	-	-	-
Key Management Personnel	392,733	13,972	-	-	-
	752,393	115,687	1,919,031	986,951	1,000,000

16 List of subsidiaries

Set out below is a list of material subsidiaries of the Group:

	Country of incorporation	2021	2020
Trade Window Pty Limited	Australia	100%	100%
Trade Window Pte Limited	Singapore	100%	100%
Trade Window Services Limited (previously Trade Window Prodoc Limited)	New Zealand	100%	100%
Trade Window Origin Limited	New Zealand	100%	51%
Trade Window Nominees Limited	New Zealand	100%	-%

Trade Window Limited acquired the remaining 49% minority interest in Trade Window Origin Limited (formerly known as IVS Origin Limited) on 31 March 2021.

Trade Window Nominees Limited was incorporated on 4 September 2020 with the sole purpose to hold on trust shares issued to staff under share option programmes.

17 Business acquisitions

Acquisition of subsidiary: Trade Window Origin Limited (previously known as IVS Origin Limited)

On 31 March 2021, Trade Window Limited acquired the remaining 49% of shares and voting rights in Trade Window Origin Limited.

The following summarises the major classes of consideration transferred at the acquisition date:

Consideration transferred

	$
Equity transferred (48,206 ordinary shares)	416,500
Total consideration transferred	416,500

Notes to the consolidated financial statements (continued)

18 Share capital

	2021 Number of shares	2020 Number of shares	2021 $	2020 $
Shares				
Balance 1 April	5,634,833	1,000,000	5,153,545	-
Issue of ordinary shares	-	4,095,151	(64,463)	3,453,545
Shares issued in respect of business acquisitions	48,206	539,682	416,500	1,700,000
Shares issued in respect of employee share options exercised	97,433	-	641,465	-
Balance at 31 March	5,780,472	5,634,833	6,147,047	5,153,545

On 31 March 2021, Trade Window Limited issued 24,103 shares to Masambri Holdings Limited valued at $208,250 and 24,103 shares to Ngatoto Trust valued at $208,250 as part of acquisition of Trade Window Origin Limited (formerly known as IVS Origin Limited) to the value of $416,500.

At 31 March 2021, share capital comprised 5,780,472 shares. All issued shares rank equally, are fully paid and have no par value.

Share capital policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

19 Convertible notes

	2021 $	2020 $
Convertible notes		
Balance 1 April	1,000,000	-
Issued to independent parties	4,410,000	-
Issued to related parties	1,408,964	1,000,000
Balance at 31 March	6,818,964	1,000,000

Convertible notes

Convertible notes of $5,818,964 (5,818,964 notes of equal ranking at $1) were issued during the year and will be converted to share capital by the Company on maturity date, 30 November 2021 or upon the date of closing of a qualifying capital raise should the Company complete a capital raise of at least $5 million before maturity.

The value of the liability component of the convertible notes is nil, as there is no obligation for the Company to deliver any number of shares on conversion of the notes. The settlement of the notes can only occur after the completion of a qualifying capital raise, which is in the control of the Company, or upon maturity.

Notes to the consolidated financial statements (continued)

20 Share-based payment arrangements

The Group established a share option programme that entitled senior management to purchase shares in the Company on 31 October 2019, which was revised on 25 March 2020. Under this programme, holders of vested options are entitled to purchase shares at the exercise price specified at grant date. All options are to be settled by the physical delivery of shares. An additional share option scheme for employees was also introduced in 2020.

The number and weighted average exercise prices of share options under the employee share option programmes were as follows:

	2021	
	Number of options	Weighted average exercise price $
Outstanding at the beginning of the period	31,746	0.00315
Granted during period	106,198	0.00864
Vested options at end of 31 March 2021	97,433	0.00864
Outstanding at the end of period	40,511	0.00864

	2020	
	Number of options	Weighted average exercise price $
Granted during period	31,746	0.00315
Outstanding at the end of period	31,746	0.00315
Vested at the end of 31 March 2020	18,522	0.00315

Grant date	**Number of instruments**	**Vesting conditions**	**Contractual life of options**
Options granted to employees			
1 May 2020 to 1 February 2021	86,808	Must be employed by the Company on vesting date	5 years
31 August 2020	19,390	Same as above	5 years
	106,198		

Expense recognised in profit or loss

The total expense recognised in the Statement of Comprehensive Income during the year was $867,188 (2020: $58,291).

Shares granted for services provided

The Company has an ownership-based participation rights scheme for employees. In accordance with the provisions of the scheme, as approved by the directors and shareholders, grantees have been granted options to purchase ordinary shares at an exercise price based on the fair value of Trade Window Limited's shares on the date of the grant as approved by the directors.

Once granted, options vest over a period of time which is stated in the options offer letter to the grantee. The grantee may exercise an option that has vested at any time during the period commencing on the date on which the option vested and ending on the expiry date.

Under the terms of the scheme unvested options lapse immediately on termination of service. For a good leaver, as defined, vested options must be exercised within three months following termination of services, and any options exercised and converted to shares may be retained. For a bad leaver, as defined, vested options are cancelled on the leaving date, and any options previously exercised and converted to shares must be sold back to the company at 90% of the original exercise price

The share based payments reserve is used to record the value of share based payments provided to employees including key management personnel, as part of their remuneration.

Notes to the consolidated financial statements (continued)

20 Share-based payment arrangements (continued)

Share-based payments policy

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

21 Capital commitments

There are no capital commitments at balance date.

22 Contingencies

The Group has a contingent liability in 2021 of $475,902 relating to R&D tax losses cashed out (2020: nil), if the group becomes profitable in the future, there is a change in the shareholders greater than 90% or a liquidation event occurs it would become payable.

The Group has a potential liability relating to an employment relationship claim. The company has insurance to cover any material exposure if required.

23 Subsequent events

On 1 April 2021 the Group acquired the assets and business of Hi-Tech Freight Solutions (Aust) Pty Ltd (trading as “Cyberfreight”) a Sydney based freight logistics software business. Consideration for the acquisition comprised cash of AU$750,000 and shares of AU$1,500,000. There is no contingent consideration. The transaction was part funded through a NZ$420,000 loan from ASB. The Group also acquired the assets and business of Cyberfreight Software Pte Ltd, a Singaporean company related to Hi-Tech Freight Solutions (Aust) Pty Ltd, for SG$5,000 cash.

Since balance date the Group’s ‘Cube’ product has been commercially released with enterprise customers onboarded and using the platform.

In June 2021 the Group relocated its Auckland operation and registered office to: Level 4, Partners Life House, 33-45 Hurstmere Road, Takapuna, Auckland 0622.

In April 2021, an employment relationship matter was raised by a former employee and is currently in mediation.

Since balance date, the Company has commenced a new capital raise and has received equity investments from various investors totalling $11.7m, and is expecting a total of $15m to be raised. In accordance with the 2020 Convertible Note terms, the new raise is deemed to be a Qualifying Capital Raise and the Notes will convert into Shares in the Company.

General disclosures

Interests register
In accordance with Section 140(2) of the Companies Act, the directors named below have made a general disclosure of interest by a general notice disclosed to the Board and entered in the Company's interests register. General notices given by directors which remain current as 31 March 2021 are as follows:

Albertus J Smith	
Trade Window Origin Limited	Director
Trade Window Services Limited	Director
Technalise Limited	CEO
Help Giant Limited	Former Director
Trade69 Limited	None
Trade Window Limited	Shareholder

Kerry Friend	
Technalise Limited	Director / Shareholder
Help Giant Limited	Director / Shareholder
Trade Window Nominees Limited	Director
Trade Window Limited	Shareholder
Trade Window Services Limited	Director
Blinder Limited	Shareholder

Nigel Annett	
Foundation Group NZ Limited	Director
Coffee Distribution NZ Limited	Director
World Coffee Limited	Director
ASB Bank Limited	EGM – Corporate Banking

As required by Section 211 of the Companies Act 1993 we disclose the following information:

Directors Remuneration
The persons who held office as directors of Trade Window Limited at any time during the year ended 31 March 2021 and their remuneration, are as follows:

		Salary	**ESOP**	**Total**
Albertus J Smith	Chief Executive Officer	205,809	92,822	298,631
Kerry Friend	Executive Director	145,900	101,097	246,997

General disclosures (continued)

Employee Remuneration
Trade Window and our subsidiaries have employees in New Zealand, Australia and Singapore. Our pay levels reflect the different market rates in each country and region. The overseas remuneration amounts are converted into New Zealand dollars. Noted in the table below are employees who received remuneration and other benefits that exceed NZ$100,000:

Remuneration including share-based remuneration ($)	Number of employees (Total: 17)
100,001 - 110,000	2
110,001 - 120,000	2
120,001 - 130,000	3
140,001 - 150,000	1
150,001 - 160,000	1
190,001 - 200,000	1
230,001 - 240,000	1
240,001 - 250,000	2
250,001 - 260,000	1
280,001 - 290,000	1
290,001 - 300,000	1
460,001 - 470,000	1

Donations
During the year ended 31 March 2021, the Group made donations totalling $300 to Ronald McDonald House Charities NZ Trust.

Auditor's Remuneration
Auditor fees paid during the year were $75,000 and other services provided $10,000.

Independent Auditor's Report

To the shareholders of Trade Window Limited

Report on the audit of the consolidated financial statements

Opinion

In our opinion, the accompanying consolidated financial statements of Trade Window Limited (the 'Company') and its subsidiaries (the 'Group') on pages 3 to 25, present fairly, in all material respects the Group's financial position as at 31 March 2021 and its financial performance and cash flows for the year then ended, in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2021;
- the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). 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 *International Code of Ethics for Assurance Practitioners (Including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report.

Our firm has also provided other services to the Group in relation to the preparation of financial statements. Subject to certain restrictions, partners and employees of our firm may also deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. These matters have not impaired our independence as auditor of the Group. The firm has no other relationship with, or interest in, the Group.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements financial statements, which indicates for the year ended 31 March 2021 the Group reported a loss of $6.6 million, had negative operating cashflows of $4.6 million and is projected to continue to incur expenditure in excess of revenue for a period of at least 12 months from the date of issuing these financial statements. Should the Group not achieve its financial forecasts and raise sufficient debt and equity financing to fund projected cashflow deficits, the Group may not be able to continue as a going concern and realise the value in its assets and discharge its liabilities in the normal course of business. As stated in Note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors, on behalf of the Group, are responsible for the other information included in the entity's Annual Report. Our opinion on the consolidated financial statements does not cover any other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

This independent auditor's report is made solely to the shareholders as a body. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in the independent 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 shareholders as a body for our audit work, this independent auditor's report, or any of the opinions we have formed.

Responsibilities of the Directors for the consolidated financial statements

The Directors, on behalf of the Company, are responsible for:

— the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime);

— implementing necessary internal control to enable the preparation of a consolidated set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate 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 objective is:

— 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 independent 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 NZ will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 these consolidated financial statements is located at the External Reporting Board (XRB) website at:
http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-7/

This description forms part of our independent auditor's report.

KPMG

KPMG
Auckland

3 August 2021