

# **Greenfern Industries Limited**

**NZCN: 6804155**

**Financial Report**

**For the period ended 31 March 2019**

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**GREENFERN INDUSTRIES LIMITED**  
**NZCN: 6804155**

**COMPANY DIRECTORY**

<b>IRD number</b>	125-630-936
<b>Nature of business</b>	Producer and wholesaler of therapeutic products
<b>Registered office</b>	Level 8, General Capital House, 115 Queen Street Auckland
<b>Directors</b>	Daniel LEYDEN Daniel CASEY Brent Douglas KING Philip Wesley BROWN Darryl DAVIES
<b>Bankers</b>	Bank of New Zealand
<b>Auditors</b>	Crowe New Zealand Audit Partnership
<b>Accountants</b>	Baker Tilly Staples Rodway Auckland Limited

**GREENFERN INDUSTRIES LIMITED**

**NZCN: 6804155**

**DIRECTORS' REPORT**

The directors present their report together with the financial report of Greenfern Industries Limited for the period ended 31 March 2019 and auditor's report thereon.

**Directors names**

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

Tim Mark JOHNSON Appointed 12 April 2018 and resigned 18 February 2019

Daniel LEYDEN Appointed 25 June 2018

Daniel CASEY Appointed 29 June 2018

Brent Douglas KING Appointed 21 April 2021

Philip Wesley BROWN Appointed 12 July 2021

Darryl DAVIES Appointed 13 July 2021

The directors have been in office since the start of the period to the date of this report unless otherwise stated.

**Principal activities**

The principal activity of the Company during the period was producer and wholesaler of therapeutic products.

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

**Results**

The loss of the Company for the period after providing for income tax amounted to \$75,980.

**Review of operations**

The Company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Dividends paid, recommended and declared**

No dividends were paid or declared since the start of the period. No recommendation for payment of dividends has been made.

**Donations**

The Company made no donations during the period.

**GREENFERN INDUSTRIES LIMITED**  
**NZCN: 6804155**

**DIRECTORS' REPORT**

**Audit fees**

No audit fees were paid or accrued during the period.

**Interests**

No director has given notice to the Company of an interest in any transaction with the Company. No director has sought authorisation to use Company information.

**Directors' remuneration and other benefits**

Dan Casey received a salary of \$4,268 during the period.

**Employee remuneration**

No cash remuneration exceed \$100,000 during the period.

Signed in accordance with a resolution of the board of directors, dated 10th August 2021

Director:   
\_\_\_\_\_

Daniel LEYDEN

Director:   
\_\_\_\_\_

Daniel CASEY

GREENFERN INDUSTRIES LIMITED

NZCN: 6804155

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 MARCH 2019

	Note	11 months March 2019 \$
<b>Other income</b>		
Interest income		490
Establishment income	17	<u>36,167</u>
		<u>36,657</u>
<b>Less: expenses</b>		
Materials and consumables used		(30,000)
Advertising expense		(55,033)
Consultancy expenses		(7,016)
Employee benefits expense		(4,268)
Finance costs		(77)
Other expenses		<u>(16,243)</u>
		<u>(112,637)</u>
<b>Loss before income tax expense</b>		(75,980)
Income tax expense	5	<u>-</u>
<b>Loss for the period</b>		<u>(75,980)</u>
<b>Other comprehensive income for the period</b>		<u>-</u>
<b>Total comprehensive loss</b>		<u><u>(75,980)</u></u>
<b>Earnings per share</b>		
Basic and dilutive earnings per share after tax (\$)	16	(0.03)

The accompanying notes form part of these financial statements.



**GREENFERN INDUSTRIES LIMITED**  
**NZCN: 6804155**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	March 2019 \$
<b>Current assets</b>		
Cash and cash equivalents	6	455,369
Term deposit	8	1,000,000
Receivables	9	25,769
Current tax assets	5	137
Prepayments		<u>8,180</u>
<b>Total current assets</b>		<u><b>1,489,455</b></u>
<b>Non-current assets</b>		
Intangible assets	10	400
Property, plant and equipment	11	937
Investments	12	<u>4,000</u>
<b>Total non-current assets</b>		<u><b>5,337</b></u>
<b>Total assets</b>		<u><b>1,494,792</b></u>
<b>Current liabilities</b>		
Payables	14	<u>36,146</u>
<b>Total current liabilities</b>		<u><b>36,146</b></u>
<b>Total liabilities</b>		<u><b>36,146</b></u>
<b>Net assets</b>		<u><u><b>1,458,646</b></u></u>
<b>Equity</b>		
Share capital	15	1,534,626
Accumulated losses		<u>(75,980)</u>
<b>Total equity</b>		<u><u><b>1,458,646</b></u></u>

Signed in accordance with a resolution of the board of directors, dated 10th of August 2021

Director:   
 Daniel LEYDEN

Director:   
 Daniel CASEY

The accompanying notes form part of these financial statements.



**GREENFERN INDUSTRIES LIMITED**  
**NZCN: 6804155**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

	Note	Contributed equity \$	Accumulated losses \$	Total equity \$
<b>Balance as at 12 April 2018</b>		-	-	-
Loss for the period		<u>-</u>	<u>(75,980)</u>	<u>(75,980)</u>
<b>Total comprehensive loss for the period</b>		<u>-</u>	<u>(75,980)</u>	<u>(75,980)</u>
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity net of transaction costs	15	<u>1,534,626</u>	<u>-</u>	<u>1,534,626</u>
<b>Total transactions with owners in their capacity as owners</b>		<u>1,534,626</u>	<u>-</u>	<u>1,534,626</u>
<b>Balance as at 31 March 2019</b>		<u><u>1,534,626</u></u>	<u><u>(75,980)</u></u>	<u><u>1,458,646</u></u>

The accompanying notes form part of these financial statements.





**GREENFERN INDUSTRIES LIMITED**  
**NZCN: 6804155**

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

	<b>Note</b>	<b>11 months March 2019 \$</b>
<b>Cash flow from operating activities</b>		
Establishment income		36,167
Payments to suppliers and employees		(110,010)
Finance costs		<u>(77)</u>
<b>Net cash used in operating activities</b>	7(a)	<u>(73,920)</u>
<b>Cash flow from investing activities</b>		
Payment for property, plant and equipment		(937)
Payment for investments		(4,000)
Payment for intangibles		(400)
Payment for term deposit		<u>(1,000,000)</u>
<b>Net cash used in investing activities</b>		<u>(1,005,337)</u>
<b>Cash flow from financing activities</b>		
Proceeds from share issue		1,620,626
Proceeds from related party loan		23,000
Repayment of related party loan		(23,000)
Payments for share issue costs		<u>(86,000)</u>
<b>Net cash provided by financing activities</b>		<u>1,534,626</u>
<b>Reconciliation of cash</b>		
Net increase in cash held		<u>455,369</u>
<b>Cash at end of period</b>		<u>455,369</u>

The accompanying notes form part of these financial statements.



**GREENFERN INDUSTRIES LIMITED**  
**NZCN: 6804155**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with the *Companies Act 1993* and New Zealand Accounting Standards, Interpretations and other applicable authoritative pronouncements of the New Zealand Accounting Standards Board.

The financial report covers Greenfern Industries Limited as an individual entity. Greenfern Industries Limited is a Company limited by shares, incorporated and domiciled in New Zealand. Greenfern Industries Limited is a for-profit entity for the purpose of preparing the financial statements.

The principal activity of the Company is a producer and wholesaler of therapeutic products.

The financial report was approved by the directors as at the date of the directors' report.

The following are the significant accounting policies adopted by the Company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The Company was incorporated on 12 April 2018 and accordingly the financial report is for an 11 month period and there is no comparative information.

**(a) Basis of preparation of the financial report**

*Compliance with NZ IFRS*

These financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ('NZ GAAP').

These financial statements comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities.

*Historical Cost Convention*

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

*Fair value measurement*

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(a) Basis of preparation of the financial report (Continued)**

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

*Significant accounting estimates and judgements*

The preparation of the financial report requires the use of certain estimates and judgements in applying the Company's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2 to the financial statements.

**(b) Going concern**

The Company is considered to be in its start-up phase and as such the Company has reported a loss for the 2019 year of \$75,980 and operating cash outflows for the 2019 year was \$73,920.

The financial statements have been prepared on a going concern basis, which assumes that the Company will have sufficient cash to continue its operations for a minimum of 12 months from the date of signing the financial statements.

In assessing the adoption of the going concern principle in the preparation of the financial statements, the Directors have reviewed cash flow forecasts for the 12 months from the date of signing the financial statements.

The Company needs to raise additional equity funding to implement its long-term business strategies. The cash flow forecasts have assumed that:

1. \$1.5m equity will be raised through wholesale placements of shares by 30 September 2021; and
2. \$5.0m equity will be raised through further capital raising activity by 31 April 2022.

Directors have considered the impact of not being able to raise the capital in the above timeframes and have determined that the Company will still be able to continue to operate with current cash reserves for the 12 months from the date of signing the financial statements by:

- deferring planned capital expenditure; and
- reducing operating costs.

**GREENFERN INDUSTRIES LIMITED**  
**NZCN: 6804155**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Going concern (Continued)**

Given the nature of the judgments and estimates noted above and management's ability to take mitigating actions, it is the considered view of the Directors that the Company has adequate resources to meet its ongoing obligations for at least a period of 12 months from the date of signing these financial statements.

On this basis, the Directors have assessed it is appropriate to adopt the going concern basis in preparing its financial statements.

**(c) Foreign currency transactions and balances**

*Functional and presentation currency*

The financial statements are presented in New Zealand dollars which is the Company's functional and presentation currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

**(d) Goods and services tax (GST)**

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

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

**(e) Other income**

*Other income*

Other income is recognised when the right to receive the income has been established.

*Interest*

Interest revenue is measured in accordance with the effective interest method.

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

**(f) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Income tax (Continued)**

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**(g) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

**(h) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Classification of financial assets*

Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in NZ IFRS 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the Company's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(h) Financial instruments (Continued)**

*Classification of financial liabilities*

Financial liabilities classified as held-for-trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

*Trade and other receivables*

Trade and other receivables arise from the Company's transactions with its customers and are normally settled within 30 days.

Consistent with both the Company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

*Impairment of financial assets*

Financial assets are tested for impairment by applying the 'expected credit loss' impairment model.

The Company applies the simplified approach under NZ IFRS 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the NZ IFRS 9 simplified approach, the Company determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the Company has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the Company. Recoveries, if any, are recognised in profit or loss.

**(i) Property, plant and equipment**

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

*Plant and equipment*

**GREENFERN INDUSTRIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Property, plant and equipment (Continued)**

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

*Depreciation*

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

<b>Class of fixed asset</b>	<b>Depreciation rates</b>	<b>Depreciation basis</b>
Plant and equipment at cost	13.50% - 67%	Diminishing value

**(j) Intangible assets**

*Trademarks*

Trademarks are amortised over 10 years.

**(k) Impairment of non-financial assets**

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Impairment of non-financial assets (Continued)**

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

**(l) Research and development expenditure**

Expenditure on research activities is recognised as an expense when incurred.

Development costs are capitalised when the Company can demonstrate all of the following: the technical feasibility of completing the asset so that it will be available for use or sale; the intention to complete the asset and use or sell it; the ability to use or sell the asset; how the 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 asset; and the ability to measure reliably the expenditure attributable to the asset during its development. Capitalised development costs are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to capitalised development costs is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, capitalised development costs are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Other development expenditure is recognised as an expense when incurred.

**(m) Employee benefits**

*(i) Short-term employee benefit obligations*

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.



**GREENFERN INDUSTRIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Employee benefits (Continued)**

*(ii) Long-term employee benefit obligations*

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

**(n) New and revised accounting standards effective at 31 March 2019**

***NZ IFRS 16: Leases***

The Company has elected to early adopt NZ IFRS 16 *Leases* in the current reporting period, with effect from 1 April 2018. There have been no measurement or presentation impact on these financial statements.

**(o) Share capital**

Share capital is classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares or warrants are shown in equity as a deduction, net of tax, from the proceeds.

**NOTE 2: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

*(a) Income tax*

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.



**GREENFERN INDUSTRIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 3: FINANCIAL RISK MANAGEMENT**

The Company is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- (a) Credit risk
- (b) Liquidity risk
- (c) Other market risk
- (d) Fair values compared with carrying amounts

The board of directors have overall responsibility for identifying and managing operational and financial risks.

The Company holds the following financial instruments:

	<b>March 2019</b>
	<b>\$</b>
<b>Financial assets</b>	
<i>Amortised cost</i>	
- Cash and cash equivalents	455,369
- Receivables	353
- Term deposit	1,000,000
<i>Fair value through profit or loss</i>	
- Shares in unlisted entities	<u>4,000</u>
	<u>1,459,722</u>
<b>Financial liabilities</b>	
- Payables	<u>(34,449)</u>

**(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from balances held with banks. The credit risk is managed by holding all cash and cash equivalents with a New Zealand registered bank.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.



**GREENFERN INDUSTRIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 3: FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(b) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The following table outlines the Company's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the Company can be required to pay.

<b>Year ended 31 March 2019</b>	<b>&lt; 6 months</b>	<b>6-12 months</b>	<b>1-5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying amount</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Payables	<u>34,449</u>	<u>-</u>	<u>-</u>	<u>34,449</u>	<u>34,449</u>
Net maturities	<u><u>34,449</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>34,449</u></u>	<u><u>34,449</u></u>

**(c) Other market risk**

Other market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Company faces the risk that the supply of cannabis products available in New Zealand will outstrip the demand, which may result in lower product prices, which in turn may have an adverse effect on the Company's financial performance.

**(d) Fair values compared with carrying amounts**

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in statement of financial position and notes to financial statements.



**GREENFERN INDUSTRIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**Note**    **March 2019**  
**\$**

**NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION**

Key management personnel consists of the managing director.  
 Compensation received by key management personnel of the Company  
 - short-term employee benefits

4,268

**NOTE 5: INCOME TAX**

**(a) Income tax reconciliation**

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

Prima facie income tax payable on profit before income tax at 28.0%	(21,274)
Add tax effect of:	
Tax losses not recognised	<u>21,274</u>
Income tax expense attributable to profit	<u><u>-</u></u>

**(b) Current tax**

Current tax relates to the following:

*Current tax liabilities / (assets)*

Opening balance	-
RWT receivable	<u>(137)</u>
Current tax liabilities / (assets)	<u><u>(137)</u></u>

**(c) Deferred tax assets not recognised**

The Company has not recognised a deferred income tax asset of \$21,274 in respect of operating tax losses that can be carried forward against future taxable income subject to meeting Inland Revenue requirements.



**GREENFERN INDUSTRIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

	Note	March 2019 \$
<b>NOTE 6: CASH AND CASH EQUIVALENTS</b>		
Cash at bank		<u>455,369</u>
 <b>NOTE 7: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash flow from operations with profit after income tax</b>		
Loss from ordinary activities after income tax		(75,980)
<b>Adjustments and non-cash items</b>		
<b>Changes in operating assets and liabilities</b>		
Increase in receivables		(25,769)
Increase in other assets		(8,180)
Increase in other liabilities		36,146
Decrease in income tax payable		<u>(137)</u>
Cash flows from operating activities		<u>(73,920)</u>
 <b>NOTE 8: TERM DEPOSIT</b>		
Term deposit		<u>1,000,000</u>
On 21 March 2019, the Company deposited \$1,000,000 into a term deposit with a maturity date of 15 December 2019. Interest accrues at 1.90% per annum.		
 <b>NOTE 9: RECEIVABLES</b>		
<b>CURRENT</b>		
Other receivables		
- GST receivable		25,416
- Accrued interest		<u>353</u>
		<u>25,769</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

	<b>Note</b>	<b>March 2019</b>
		<b>\$</b>
<b>NOTE 10: INTANGIBLE ASSETS</b>		
Patents, trademarks and licences at cost		<u>400</u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

*Trademarks at cost*

Opening balance		-
Additions		<u>400</u>
Closing balance		<u>400</u>

**NOTE 11: PROPERTY, PLANT AND EQUIPMENT**

**Plant and equipment**

Plant and equipment at cost		<u>937</u>
Total property, plant and equipment		<u>937</u>

**(a) Reconciliations**

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

*Plant and equipment*

Opening carrying amount		-
Additions		<u>937</u>
Closing carrying amount		<u>937</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**Note**    **March 2019**  
**\$**

**NOTE 12: INVESTMENTS**

**NON CURRENT**

*Financial assets at fair value through profit or loss*

Shares in unlisted companies	4,000
------------------------------	-------

All financial assets at fair value through profit or loss are held for trading.

*Investment in Waiapu Investments Limited*

The Company holds 4,000 shares in Waiapu Investments Limited purchased in September 2018 at a cost price of \$4,000 (\$1.00 per share).

This equity investment is not quoted in an active market. The fair value of this equity security is based on the Company's share of the entity's net assets at reporting date as reported in the entity's financial statements (valuation technique). The majority of the entity's assets and liabilities are reported in their financial statements at either their fair value or their carrying value which approximates their fair value (the significant unobservable inputs). The interrelationship between key unobservable inputs and fair value measurement is that an increase / (decrease) in the net assets would increase / (decrease) the fair value of the investment. No amounts were recognised in the profit and loss during the year ended 31 March 2019 in relation to fair value movements of the investment.

**NOTE 13: FAIR VALUE MEASUREMENT**

*(a) Fair Value Hierarchy*

The following table provides the fair value classification of those assets and liabilities held by the Company that are measured either on a recurring or non-recurring basis at fair value.

	Level 1	Level 2	Level 3	Total
March 2019	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<i>Financial assets</i>				
<i>Financial assets at fair value through profit or loss</i>				
Shares in unlisted companies	-	-	4,000	4,000



**GREENFERN INDUSTRIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

	Note	March 2019 \$
<b>NOTE 14: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
PAYE payable		1,697
Accrued expenses		<u>34,449</u>
		<u><u>36,146</u></u>

**NOTE 15: SHARE CAPITAL**

The Company does not have a limited number of authorised shares. Both Founder shares and Investor shares have no par value.

Issued and paid-up capital  
 4,111,488 Founder shares  
 2,289,105 Investor shares

	(a)		-
	(b)	<u>1,534,626</u>	-
		<u><u>1,534,626</u></u>	

	March 2019	
	Number	\$
<b>(a) Founder shares</b>		
Opening balance	-	-
Shares issued:		
20 September 2018	<u>4,111,488</u>	<u>-</u>
At reporting date	<u><u>4,111,488</u></u>	<u><u>-</u></u>





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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 15: SHARE CAPITAL (CONTINUED)**

	March 2019	
	Number	\$
<b>(b) Investor shares</b>		
Opening balance	-	-
Shares issued:		
20 September 2018	555,179	-
February 2019	1,733,926	1,733,926
Transaction costs relating to shares issued, net of tax	-	(199,300)
At reporting date	2,289,105	1,534,626

**Rights of each type of share**

*Founder*

Founder shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders meetings each founder share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

*Investor*

Investor shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. Investor shares are non voting shares except when there is a proposal or resolution that will affect the rights attached to the investor shares.

*Associate*

Associate shares have the same rights as investor share. The only difference being they are issued for nil consideration.

**Capital management**

When managing capital, management's objective is to ensure the Company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of forecast performance and cashflows.



**GREENFERN INDUSTRIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 16: EARNINGS PER SHARE**

**31 March 2019**  
**\$**

**Dollars per unit**

Basic earnings per share after tax	(0.03)
Diluted earnings per share after tax	(0.03)

Basic earnings per share is calculated as profit after tax divided by the weighted number of issued shares for the period.

Diluted earnings per share is calculated as profit after tax divided by the weighted number of share plus any deferred shares which are expected to be issued after balance date.

**2019**  
**\$**

**Reconciliation of earnings used in calculating earnings per share**

Loss used in calculating earnings per unit	(75,980)
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**Weighted average number of shares used as the denominator**

Weighted average number of shares used as the denominator in calculating basic earnings per share	2,803,281
Weighted un-allotted units issued after balance date	<u>-</u>
Weighted average number of shares and potential shares used as the denominator in calculating diluted earnings per shares	<u>2,803,281</u>

**NOTE 17: RELATED PARTY BALANCES AND TRANSACTIONS**

<b>Related party</b>	<b>Relationship</b>
Dan Casey	Founding shareholder & managing director
John Hussey	Founding shareholder
Daniel Leyden	Founding shareholder and director
Timothy Johnson	Founding shareholder and director
Brendon Partridge	Founding shareholder
Renewable Power Limited	Timothy Johnson is a common director
Fluidity Limited	Shareholder and director is John Hussey
Fit and Joy	Director is the spouse of Dan Casey



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**Note**    **March 2019**  
**\$**

**NOTE 17: RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)**

**(a) Transactions with related parties**

John Hussey - contractor payments	40,671
Dan Casey - managing director salary	4,268
Fit and Joy - graphic design work	1,000
Fluidity - advertising services	12,046
Founding shareholders - establishment income	36,167

On 20 September 2018, 175,578 investor shares were issued to Renewable Power Limited for no consideration. Refer Note 15(b) associate shares.

On inception of the Company, the founding shareholders contributed funds to the Company for the purposes of establishing the Company and for day-to-day operations of the Company after its inception. The Founding shareholders have confirmed this balance will not be repaid and accordingly has been recorded as establishment income in the statement of profit or loss.

During the period Renewable Power Limited loaned the Company \$23,000. This was repaid in full during the period.

All transactions with related parties were at arm's length.

**NOTE 18: CAPITAL COMMITMENTS**

There are no capital commitments at reporting date.

**NOTE 19: CONTINGENT LIABILITIES**

There are no contingent liabilities at reporting date.



**GREENFERN INDUSTRIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**

**NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE**

Subsequent to reporting date the Company obtained a cannabis licence in December 2020 and and raised additional capital in November 2020 which was used for the development of research facilities.

There has been no other matter or circumstance, which has arisen since 31 March 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 March 2019, of the Company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 March 2019, of the Company.



**INDEPENDENT AUDITOR'S REPORT**[www.crowe.nz](http://www.crowe.nz)**To the Shareholders of Greenfern Industries Limited****Opinion**

We have audited the financial statements of Greenfern Industries Limited (the Company) on pages 4 to 26, which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

**Basis for Opinion**

We conducted our audit in accordance with 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 Financial Statements* section of our report. We are independent of the Company 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 we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

**Information Other Than the Financial Statements and Auditor's Report**

The Directors are responsible for the other information. The other information comprises the information included in the Company Directory and Directors Report on pages 1 to 3, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be 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.

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## **Directors' Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 (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 financial statements.

As part of an audit in accordance with ISAs (NZ), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the use of the going concern basis of accounting by the Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **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 and the Company's Shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Crowe New Zealand Audit Partnership**  
CHARTERED ACCOUNTANTS

Dated at Christchurch this 10th day of August 2021