

# **Trade Window Holdings Limited**

Consolidated Financial Statements  
For the year ended  
31 March 2022

**Trade Window Holdings Limited**  
**Table of contents**  
**For the year ended 31 March 2022**

<b>Contents</b>	<b>Page</b>
Directors' declaration	1
Directory	2
Consolidated statement of comprehensive income	3
Consolidated statement of financial position	4-5
Consolidated statement of changes in equity	6-7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9-46
General disclosures	47-49
Auditors' report	50-53

**Trade Window Holdings Limited**  
**Directors' declaration**  
**For the year ended 31 March 2022**

In the opinion of the Directors of Trade Window Holdings Limited, the financial statements and notes, on pages 3 to 46:


- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the Group as at 31 March 2022 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 Group 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 Group, 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 board of Directors are pleased to present the financial statements of the Group for the year ended 31 March 2022.

Signed in accordance with a resolution of the Directors.

  
\_\_\_\_\_  
**Alasdair MacLeod**

Dated: 30 May 2022 \_\_\_\_\_

  
\_\_\_\_\_  
**AJ Smith**

Dated: 30 May 2022 \_\_\_\_\_

**Trade Window Holdings Limited**  
**Directory**  
**For the year ended 31 March 2022**

<b>Incorporation Number</b>	8233653
<b>Principal Activities:</b>	<p>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</p> <p>There have been no significant changes in the nature of these activities during the year ended 31 March 2022.</p>
<b>Registered Office</b>	<p>TradeWindow Company Secretary Level 4, Partners Life House 33-45 Hurstmere Road, Takapuna Auckland 0622 New Zealand</p>
<b>Directors:</b>	<p>Albertus Johannes Smith Kerry Michael Friend Philip John Norman (appointed 15 October 2021) Diana Marie Puketapu (appointed 15 October 2021) Alasdair (Alexander) John Macleod (appointed 15 October 2021)</p> <p>The Directors were in office for the whole period unless otherwise stated.</p>
<b>Auditor:</b>	<p>KPMG KPMG Centre 18 Viaduct Harbour Avenue Auckland 1010 New Zealand</p>

**Trade Window Holdings Limited**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 March 2022**

	Notes	2022 \$	2021 \$
Revenue	3.1	3,877,617	1,641,840
Other income	4	999,330	701,936
		<u>4,876,947</u>	<u>2,343,776</u>
Employee benefits expense	5.1	(10,830,303)	(6,342,880)
Depreciation and amortisation		(1,666,826)	(1,069,502)
Other expenses	5.2	(3,593,903)	(1,864,513)
		<u>(11,214,085)</u>	<u>(6,933,119)</u>
Net finance expense	6	(169,673)	(141,037)
<b>Loss before income tax</b>		<u>(11,383,758)</u>	<u>(7,074,156)</u>
Income tax	7	560,000	475,902
<b>Net loss after tax</b>		<u>(10,823,758)</u>	<u>(6,598,254)</u>
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations		136	847
<b>Total comprehensive loss for the year</b>		<u>(10,823,622)</u>	<u>(6,597,407)</u>
<b>Earnings (loss) per share</b>			
Basic earnings (loss) per share \$	26	(0.13)	(1.14)
Diluted earnings (loss) per share \$	26	(0.13)	(0.52)



**Trade Window Holdings Limited**  
**Consolidated statement of financial position**  
**As at 31 March 2022**

	Notes	2022 \$	2021 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8.1	5,932,558	1,413,224
Trade and other receivables	9	1,835,624	557,957
Income tax receivable	7	6,244	-
Contract assets	3.2	77,809	51,929
		7,852,235	2,023,110
<b>Non-current assets</b>			
Trade and other receivables	9	128,304	18,057
Property, plant and equipment	10	277,892	165,551
Right of use assets	11	1,395,315	38,329
Intangible assets	12	6,762,523	3,892,659
Restricted cash	8.2	98,604	-
		8,662,638	4,114,596
<b>Total assets</b>		16,514,873	6,137,706
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	1,512,709	781,509
Interest bearing loans and borrowings	14	486,248	489,864
Related party payables	16	7,071	40,470
Income tax payable	7	-	1,661
Lease liabilities	11	506,999	39,704
Dividend payable		-	30,380
Contract liabilities	3.2	453,605	39,831
		2,966,632	1,423,419



**Trade Window Holdings Limited**  
**Consolidated statement of financial position**  
**As at 31 March 2022**

	Notes	2022 \$	2021 \$
<b>Non-current liabilities</b>			
Trade and other payables	13	64,143	-
Interest bearing loans and borrowings	14	1,764,473	1,220,147
Lease liabilities	11	875,045	-
		<u>2,703,661</u>	<u>1,220,147</u>
<b>Total liabilities</b>		<u>5,670,293</u>	<u>2,643,566</u>
<b>Net assets</b>		<u>10,844,580</u>	<u>3,494,140</u>
<b>Equity</b>			
Share capital	19	31,333,484	6,147,047
Retained earnings		(20,585,200)	(9,761,442)
Convertible notes	20	-	6,818,964
Foreign currency translation reserve		7,574	4,946
Share based payments reserve		88,722	284,625
<b>Total equity</b>		<u>10,844,580</u>	<u>3,494,140</u>



**Trade Window Holdings Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 31 March 2022**

Notes	Issued capital \$	Retained earnings \$	Equity components of convertible notes \$	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$	Non- controlling interest \$	Total \$
<b>Balance at 1 April 2020</b>	5,153,545	(3,127,133)	1,000,000	(2,446)	58,299	3,082,265	410,825	3,493,090
<b>Comprehensive expense for the year</b>								
Loss for the year	-	(6,598,254)	-	-	-	(6,598,254)	-	(6,598,254)
Other comprehensive income/(expense)	-	-	-	847	-	847	-	847
	-	(6,598,254)	-	847	-	(6,597,407)	-	(6,597,407)
<b>Transactions with owners of the company</b>								
Issue of capital/dividend to shareholders	19 (64,463)	(30,380)	-	-	-	(94,843)	-	(94,843)
Adjustment to foreign currency	-	-	-	6,545	-	6,545	-	6,545
Issue of convertible notes	20 -	-	5,818,964	-	-	5,818,964	-	5,818,964
Share issue on restructure	19 416,500	(5,675)	-	-	-	410,825	(410,825)	-
Share options exercised	19 641,465	-	-	-	-	641,465	-	641,465
Equity-settled share based payments	-	-	-	-	226,326	226,326	-	226,326
	993,502	(36,055)	5,818,964	6,545	226,326	7,009,282	(410,825)	6,598,457
<b>Balance at 31 March 2021</b>	<u>6,147,047</u>	<u>(9,761,442)</u>	<u>6,818,964</u>	<u>4,946</u>	<u>284,625</u>	<u>3,494,140</u>	<u>-</u>	<u>3,494,140</u>





**Trade Window Holdings Limited**  
**Consolidated statement of changes in equity**  
**For the year ended 31 March 2022**

Notes	Issued capital \$	Retained earnings \$	Equity components of convertible notes \$	Foreign currency translation reserve \$	Share based payment reserve \$	Total \$	Non- controlling interest \$	Total \$
<b>Balance at 1 April 2021</b>	6,147,047	(9,761,442)	6,818,964	4,946	284,625	3,494,140	-	3,494,140
<b>Comprehensive expense for the year</b>								
Loss for the year	-	(10,823,758)	-	-	-	(10,823,758)	-	(10,823,758)
Other comprehensive income/(expense)	-	-	-	136	-	136	-	136
	-	(10,823,758)	-	136	-	(10,823,622)	-	(10,823,622)
<b>Transactions with owners of the company</b>								
Issue of capital/dividend to shareholders	19	15,092,532	-	-	-	15,092,532	-	15,092,532
Adjustment to foreign currency		-	-	2,492	-	2,492	-	2,492
Maturity of convertible notes	19,20	6,818,964	(6,818,964)	-	-	-	-	-
Share issue on business acquisitions	18,19	2,353,037	-	-	-	2,353,037	-	2,353,037
Share options exercised		921,904	-	-	-	921,904	-	921,904
Equity-settled share based payments		-	-	-	(195,903)	(195,903)	-	(195,903)
		25,186,437	-	2,492	(195,903)	18,174,062	-	18,174,062
<b>Balance at 31 March 2022</b>	<u>31,333,484</u>	<u>(20,585,200)</u>	<u>-</u>	<u>7,574</u>	<u>88,722</u>	<u>10,844,580</u>	<u>-</u>	<u>10,844,580</u>



**Trade Window Holdings Limited**  
**Consolidated statement of cash flows**  
**For the year ended 31 March 2022**

	Notes	2022	2021
		\$	\$
<b>Operating activities</b>			
Cash received from customers		4,039,791	1,672,594
Cash paid to suppliers and employees		(13,203,825)	(7,283,439)
Income tax received		(7,905)	475,368
Grant income		676,126	559,446
<b>Net cash to operating activities</b>	27	<u>(8,495,813)</u>	<u>(4,576,031)</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	10	(240,455)	(118,387)
Proceeds from sale plant and equipment		4,707	5,138
Purchase of intangible assets	12	(100,001)	-
Business acquisition	18	(1,538,445)	-
Payments to term deposit	8.2	(98,604)	-
Interest received	6	12,106	1,186
<b>Net cash used in investing activities</b>		<u>(1,960,692)</u>	<u>(112,063)</u>
<b>Financing activities</b>			
Interest paid on lease liability	6,11	(53,180)	(7,944)
Proceeds from/(repayment) of share capital	19	15,000,000	(64,463)
Proceeds from issue of convertible notes	20	-	5,818,964
Repayment of borrowings		(616,288)	(616,614)
Payments for lease liability - principal portion	11	(380,563)	(289,494)
Proceeds/(repayments) from exercise of share options		910	603
Proceeds from borrowings		1,145,000	400,000
Payments to related parties		(30,380)	-
Interest paid		(89,660)	(126,685)
<b>Net cash flows from financing activities</b>		<u>14,975,839</u>	<u>5,114,367</u>
<b>Net change in cash and cash equivalents</b>		4,519,334	426,273
Cash and cash equivalents at the beginning of the financial year		<u>1,413,224</u>	<u>986,951</u>
<b>Cash and cash equivalents at the end of the financial year</b>		<u><u>5,932,558</u></u>	<u><u>1,413,224</u></u>



# Trade Window Holdings Limited

## Notes to the consolidated financial statements

### For the year ended 31 March 2022

#### 1 General information and statement of compliance

Trade Window Holdings Limited is a profit orientated entity.

Trade Window Holdings Limited is incorporated and domiciled in New Zealand and is a company registered under the Companies Act 1993.

Consolidated financial statements for the Group are presented. The consolidated financial statements of Trade Window Holdings Limited (company) as at and for the year ended 31 March 2022 comprise of the Company and its subsidiaries (together referred to as the Group and individually as subsidiaries).

Trade Window Holdings Limited was incorporated on 10 September 2021 for the purpose of being the holding company for Trade Window Limited. Prior to Trade Window Holdings Limited's incorporation, the Group comprised of Trade Window Limited and its subsidiaries.

The subsidiaries are set out in note 17.

The principal activities of the Group during the year were developing and commercialising 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.

#### **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 and other applicable Financial Reporting Standards, as appropriate for Tier 1 for-profit entities. The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS). 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.

#### **Accounting policies**

The 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.

#### **Comparative information**

Trade Window Holdings Limited (TWHL) was incorporated as part of the Trade Window listing process. TWHL effectively acquired Trade Window Limited (TWL) on 19 November 2021. This was achieved through a share exchange where 10 TWHL shares were issued for 1 TWL share. TWHL is now the parent entity and listed on the NZX. There was no other change operationally and TWHL was effectively inserted above TWL. The comparative financial statements for the year ended 31 March 2021 are those of TWL and its subsidiaries only and reflect the fact that the insertion of TWHL is, in substance, a continuation of the existing group.



# Trade Window Holdings Limited

## Notes to the consolidated financial statements

### For the year ended 31 March 2022

#### 1 General information and statement of compliance (continued)

##### 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 an early-stage organisation that is currently investing heavily in the development and commercialisation of a Global Trade Platform and as such has reported a loss for the year ended 31 March 2022 of \$10.8 million (2021: \$6.6 million), and operating cash outflows of \$8.5 million (2021: \$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 equity and/or debt funding to support continued product development and commercialisation of its products.

As an early-stage business further capital raising prior to achieving profitability was anticipated and this was indicated in the Company's listing profile in November 2021. Management has been closely monitoring forecast cash reserves each month with specific regard to the timing of a future capital raise.

The Board-approved FY23 annual budget and three-year financial forecast plans to raise sufficient capital to provide around 24 months forecast cash requirements which will provide sufficient liquidity to satisfy its financial obligations and comply with the terms of its debt facilities for a period of at least 12 months from the issuance of these financial statements should there be a reasonably possible downside in underlying assumptions. Key to the forecasts are relevant assumptions regarding the business and success of its products, business model, any legal or regulatory restrictions, financing, and shareholder support, including the future capital raise. The inputs to the assumptions have been stress tested against a range of scenarios including a reduction in revenue without commensurate cost cutting, and a reduction in the target for the planned capital raise.

As at 31 March 2022 the Group held cash and cash equivalents of \$5.9 million (2021: \$1.4 million) and projects adequate cash available through to September 2022, by which time it is anticipated that the Group will have raised additional capital. To have sufficient liquidity for a period of at least 12 months from the issuance of these financial statements the Group has forecast that at least \$10 million of additional debt and equity will need to be raised, assuming forecast revenues and expenditures are realised, and there are no significant acquisitions during the period.

The Directors do acknowledge that until a capital raising is complete, 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 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 its financial forecasts and secure projected funding requirements such that the Group will be able to meet its contractual obligations in the foreseeable future.



# Trade Window Holdings Limited

## Notes to the consolidated financial statements

### For the year ended 31 March 2022

#### 1 General information and statement of compliance (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 Company'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 and IFRS 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 3.1 Revenue, in determining the revenue recognition of implementation revenue.
- Note 11 Leases, on determining whether a contract contains a lease, lease terms, incremental borrowing rate and lease renewal options.
- Note 18 Business acquisitions, in determining the fair value of the consideration transferred, and fair value of the assets acquired and liabilities assumed.
- Note 20 Convertible notes, on its classification as equity (in 2021).

##### **Covid-19**

The year to 31 March 2022 presented a challenging environment as various restrictive lockdowns continued, however Trade Window continued to operate effectively to service and support its customers and to develop its products which are enabling organisations to move away from traditional on-premise and paper based operations.

While there has been no material impact on sales, the restrictions on physical movement have delayed the Australian market development. There has been no impact of COVID-19 on the statement of financial position.

Trade Window and its subsidiaries have not taken any government relief subsidies available to companies as a result of COVID-19 during the year ended 31 March 2022.

##### **New accounting standards and interpretations**

No new standards have been issued for the period ended 31 March 2022 that materially impact the Group.

##### **New accounting standards and interpretations issued but not yet effective**

At the date of authorisation of these consolidated financial statements, there are no new accounting standards or interpretations issued but not yet adopted that are expected to have a material impact on the Group.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**2 Significant accounting policies**

**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 or 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 or 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.

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 or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

*Transactions eliminated on consolidation*

Intra company (refer to Note 17) balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains and losses) arising from intra-group transactions, are eliminated.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**2 Significant accounting policies (continued)**

**Foreign currency**

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.

The foreign currency translation reserve arises from the translation of the Group's overseas operations into the presentation currency of these financial statements.

**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. Fair value less cost of disposal (FVLCD) is deemed to be the more appropriate method given the Group is an early-stage business hence there are difficulties in assessing WACC, forecast revenue, cash flows and forecast accuracy. Further, as a publicly listed entity, the fair value can be easily ascertained.

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.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>3.1 Revenue</b>		
The Group generates revenue primarily from customers subscribing to and utilising its software platforms. In the following table, revenue from contracts with customers is disaggregated by primary nature and timing of revenue recognition.		
Transactional revenue	1,621,634	872,918
Subscription revenue	1,591,800	420,313
Service revenue	230,004	143,777
Installation revenue	434,179	204,832
<b>Total revenue</b>	<b>3,877,617</b>	<b>1,641,840</b>

**Revenue policy**

Revenue is measured based on the consideration specified in the contract with a customer. The Group recognises revenue when it transfers control of a good or service to a customer. Revenue is disclosed net of credit notes and discounts. Unbilled revenue at year end is recognised as contract asset and any unearned revenue at year end is recognised as contract liabilities. See table 3.2 for details of contract assets and liabilities at year end.

*Transactional revenue*

Transactional revenue is recorded at the time the transactions are processed by the customer using the Group's software platforms. Transaction revenue is based on volume of usage and is recognised at a point in time. Customers are invoiced monthly and have payment terms of up to 30-days.

*Subscription revenue*

Subscription revenue comprises recurring monthly fees from customers who have subscribed to the Group's software platforms. The fee provides the customer with access to the various software platforms, regular software updates and customer support services. Subscription revenue is invoiced either in advance or monthly in arrears, depending on the software product. Subscription revenue is recognised over time as the service are used or delivered by the customer. Customers are mainly invoiced monthly and have payment terms of up to 30-days.

*Service revenue*

Service revenue relates to ad-hoc customer support services outside of the scope of the standard support agreement. The services are mainly for customer support to customers who request non-standard customisation or assistance with a specific project. Service revenue is recognised over time as the service is delivered to the customer, these range from a few hours to a week. Customers are invoiced monthly and have payment terms of up to 30-days.





**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>3.1 Revenue (continued)</b>		

*Installation revenue*

Installation revenue comprises of one-off installation, software customisation and user training services. The Group has assessed that installation is a separate performance obligation for certain products, and all the activities are considered as one performance obligation which is satisfied over the term of the contract as the customer simultaneously receives and consumes the benefits provided to them. After the software is installed, the customers subscribe to ongoing maintenance and support services to ensure that the software is regularly maintained by the Group. The majority of the Group's Prodoc, Cube and Speedi customers also pay a transaction based fee for usage of the software products enabling the customer to match the cost to their seasonal cash inflows. The installation and transaction fees for Prodoc are a single performance obligation and are recognised over the contract period. The Group uses the output method of measuring progress of installation as it fairly depicts the entity's performance towards complete satisfaction of the performance condition. Majority of customers are invoiced in advance and then on a monthly basis and have payment terms of up to 30-days.

**3.2 Contract balances**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Receivables, which are included in "Trade and other receivables"	418,236	191,079
Contract assets	77,809	51,929
Contract liabilities	(453,605)	(39,831)
	42,440	203,177

The contract liabilities primarily relate to advance consideration the Group received from customers for installation and for subscribing to its software platforms, for which revenue is recognised over time.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. Contract assets are assessed for impairment under the requirements in the financial instruments standard. Any unconditional rights to consideration are presented separately as a receivable.

Information about remaining performance obligation has not been provided as these have an expected duration of less than 12 months.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	2022	2021
	\$	\$
<b>4 Other income</b>		
Grant income	997,950	359,011
Wage subsidy	-	299,930
Other	1,380	42,995
<b>Total other income</b>	999,330	701,936

*Grant income and Wage subsidy*

The Group is entitled to the Government's R&D project grant scheme which makes it eligible to a percentage reimbursement of project related costs through Callaghan Innovation. Where the grant relates to expenditure, it is recognised as income over the periods in which the expenditure is incurred.

The Group is also eligible for the IRD's Research & Development Tax Incentive (RDTI) scheme which allows for a 15% tax credit for eligible R&D expenditure not claimed under any other scheme. In 2021, the Group was also entitled to the R&D experience funding grant for someone engaged in undergraduate or postgraduate study to work on a R&D project.

The Group is entitled to NZTE's International Growth Fund Grant to assist with acceleration of growth in the Australian market. This Grant allows for reimbursement of up to 50% of actual costs incurred in carrying out pre-approved growth projects in Australia.

The Group received government grants in 2021 in relation to a wage subsidy programme introduced in New Zealand in response to the COVID-19 coronavirus pandemic. Wage Subsidies received were recognised in profit or loss in 'other income', the related wages and salaries for employees were recognised in the profit or loss as "Employee Benefits Expense".



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>5.1 Employee benefits expense</b>		
Short term employee benefits (salaries)	8,148,327	4,766,552
Post-employment benefits (superannuation)	266,346	105,525
Other employee benefits	2,415,630	1,470,803
<b>Total employee benefits expense</b>	<b>10,830,303</b>	<b>6,342,880</b>
<b>5.2 Other expenses include the following:</b>		
The following fees were paid or payable for services provided by KPMG		
- Fees relating to the annual audit	195,000	75,000
- Fees for other services (financial statement preparation)	-	9,000
Directors fees	107,896	-
Bad debts written off	252	-
Donations	-	300
Loss on sale or disposal of fixed assets	28,296	68,493
<b>6 Net finance expense</b>		
Interest income	12,106	1,186
Interest expense	(128,599)	(134,279)
Interest on lease liabilities	(53,180)	(7,944)
<b>Total net finance expense</b>	<b>(169,673)</b>	<b>(141,037)</b>

**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.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

		2022	2021
		\$	\$
<b>7</b>	<b>Income tax</b>		
	<b>Tax expense</b>		
	Loss before income tax	(11,383,758)	(7,074,156)
	Domestic tax rate (28%)	28%	28%
	<b>Expected income tax</b>	<u>(3,187,452)</u>	<u>(1,980,764)</u>
	Non-deductible expenses	161,914	11,625
	Deferred tax not recognised in current tax year	3,002,650	1,953,099
	Prior year R&D tax losses cashed-out (Note 23)	(560,000)	(475,902)
	Effect of different tax rates	22,888	16,040
	<b>Actual income tax expense (income)</b>	<u>(560,000)</u>	<u>(475,902)</u>
	<b>Income tax expense (income) is represented by:</b>		
	Current tax	(560,000)	(475,902)
	Deferred tax	-	-
		<u>(560,000)</u>	<u>(475,902)</u>

The current tax asset of \$6,244 (2021 current tax liability: \$1,661) represents the amount of income taxes receivable/payable in respect of the current period.

The research and development (R&D) tax loss cash-out is a 28% refund of the Groups tax losses from eligible R&D activity. R&D tax losses cashed-out reduce the Groups business losses carried forward to future years. The rules focus on start-up companies engaging in intensive R&D, and are intended to reduce their exposure to market failures and tax distortions arising from the general tax treatment of losses. It is intended to provide a cashflow timing benefit only.

**Deferred tax assets and liabilities**

The table below shows the movement in the deferred tax balances that are recognised at the beginning and end of the period.

**Recognised Deferred Tax Assets**

		Recognised	
FY2022	Opening	in profit or loss	Closing
Intangibles	(151,971)	(270,945)	(422,916)
ESOP	-	(452,745)	(452,745)
Leases	(10,528)	(496,439)	(506,967)
Accruals and Employee Benefits	49,454	86,154	135,608
Net Taxable Loss	113,045	1,133,975	1,247,020
	<u>-</u>	<u>-</u>	<u>-</u>



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**7 Income tax (continued)**

**Recognised Deferred Tax Assets**

<b>FY2021</b>	<b>Opening</b>	<b>Recognised in profit or loss</b>	<b>Closing</b>
Intangibles	(52,217)	(99,754)	(151,971)
Leases	16,030	(26,558)	(10,528)
Accruals and Employee Benefits	39,974	9,480	49,454
Net Taxable Loss	(3,787)	116,832	113,045
	-	-	-

The Group has \$20,694,140 (2021: \$9,970,390) of tax losses for which no deferred tax asset has been recognised in the statement of financial position as it is not probable that the Group will be achieving sufficient taxable profits in the foreseeable future.

**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.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>8.1 Cash and cash equivalents</b>		
Bank accounts	5,932,558	1,413,224
<b>Total cash and cash equivalents</b>	<b>5,932,558</b>	<b>1,413,224</b>

The bank accounts include cash balances held with ASB Bank Limited of \$5,825,531 (2021: \$1,314,649), which is a related party. The Group also had an undrawn overdraft facility with ASB Bank limited to a maximum of \$150,000; which was temporarily increased to \$350,000 in the prior financial year. The interest rate at balance date was 6.23% (2021: 6%) 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.

**8.2 Restricted cash**

Restricted cash is comprised of cash balances held with Commonwealth Bank Australia of \$98,604 (2021: \$Nil), that is held as a rent guarantee over one of the leases.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	2022	2021
	\$	\$
<b>9 Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	418,226	191,079
Other receivables	1,090,297	174,613
Prepayments	327,101	192,265
	1,835,624	557,957
<b>Non-Current</b>		
Trade receivables	-	18,057
Prepayments	128,304	-
	128,304	18,057
<b>Total trade and other receivables</b>	1,963,928	576,014

Bad debt expense of \$252 (2021: \$Nil) has been recorded within other expenses in the statement of comprehensive income.

**Trade and other receivables policy**

Trade and other receivables (unless it is a trade receivable without a significant financing component) is initially recognised at fair value plus transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price. It is then 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 15 for information about calculation and recognition of expected credit losses. The amount of the provision is recognised in profit or loss. There was no provision for impairment recognised during the year.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**10 Property, plant and equipment**

	Lease- hold improve- ments \$	Motor vehicles \$	Furnit- ure and fittings \$	Plant and equip- ment \$	Total \$
<b>Year ended 31 March 2022</b>					
Opening balance	-	37,904	22,201	194,062	254,167
Additions	39,208	-	48,042	153,205	240,455
Additions through business acquisition	-	-	-	47,921	47,921
Disposals	-	-	(9,757)	(32,038)	(41,795)
<b>Total property, plant and equipment at cost</b>	<b>39,208</b>	<b>37,904</b>	<b>60,486</b>	<b>363,150</b>	<b>500,748</b>
<b>Accumulated depreciation</b>					
Opening balance	-	11,044	2,602	74,970	88,616
Disposals	-	-	(1,976)	(6,815)	(8,791)
Depreciation expense	10,698	7,960	4,785	119,588	143,031
<b>Total accumulated depreciation</b>	<b>10,698</b>	<b>19,004</b>	<b>5,411</b>	<b>187,743</b>	<b>222,856</b>
<b>Summary</b>					
Net carrying amount at 31 March 2021	-	26,860	19,599	119,092	165,551
<b>Net carrying amount at 31 March 2022</b>	<b>28,510</b>	<b>18,900</b>	<b>55,075</b>	<b>175,407</b>	<b>277,892</b>
<b>Year ended 31 March 2021</b>					
Opening balance	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)
<b>Total property, plant and equipment at cost</b>	<b>-</b>	<b>37,904</b>	<b>22,201</b>	<b>194,062</b>	<b>254,167</b>
<b>Accumulated depreciation</b>					
Opening balance	496	4,363	549	16,505	21,913
Disposals	(8,224)	(3,622)	(73)	(4,192)	(16,111)
Depreciation expense	7,728	10,303	2,126	62,657	82,814
<b>Total accumulated depreciation</b>	<b>-</b>	<b>11,044</b>	<b>2,602</b>	<b>74,970</b>	<b>88,616</b>
<b>Summary</b>					
Net carrying amount at 31 March 2020	42,604	45,715	15,951	109,536	213,806
<b>Net carrying amount at 31 March 2021</b>	<b>-</b>	<b>26,860</b>	<b>19,599</b>	<b>119,092</b>	<b>165,551</b>





**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**10 Property, plant and equipment (continued)**

**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% - 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 asset's 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 or loss.

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



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**11 Leases**

**Right of use assets**

	<b>Buildings</b>	<b>Total</b>
	\$	\$
<b>Year ended 31 March 2022</b>		
Opening balance	287,465	287,465
Additions	1,722,903	1,722,903
Make good provision	64,143	64,143
Disposals	<u>(287,465)</u>	<u>(287,465)</u>
<b>Total Right of use assets at Cost</b>	<u>1,787,046</u>	<u>1,787,046</u>

**Accumulated amortisation**

Opening balance	249,136	249,136
Disposals	<u>(287,043)</u>	<u>(287,043)</u>
Amortisation expense	429,638	429,638
<b>Total accumulated amortisation</b>	<u>391,731</u>	<u>391,731</u>

**Summary**

Net carrying amount at 31 March 2021	<u>38,329</u>	<u>38,329</u>
<b>Net carrying amount at 31 March 2022</b>	<u><b>1,395,315</b></u>	<u><b>1,395,315</b></u>

**Year ended 31 March 2021**

Opening balance	791,534	791,534
Remeasurement of right of use asset	<u>(402,451)</u>	<u>(402,451)</u>
Disposals	<u>(101,618)</u>	<u>(101,618)</u>
<b>Total Right of use assets at Cost</b>	<u>287,465</u>	<u>287,465</u>

**Accumulated amortisation**

Opening balance	62,715	62,715
Disposals	<u>(43,551)</u>	<u>(43,551)</u>
Amortisation expense	229,972	229,972
<b>Total accumulated amortisation</b>	<u>249,136</u>	<u>249,136</u>

**Summary**

Net carrying amount at 31 March 2020	<u>728,819</u>	<u>728,819</u>
<b>Net carrying amount at 31 March 2021</b>	<u><b>38,329</b></u>	<u><b>38,329</b></u>

**Lease liabilities**

	<b>2022</b>	<b>2021</b>
	\$	\$
Lease liability (current)	506,999	39,704
Lease liability (non-current)	875,045	-
<b>Total lease liabilities</b>	<u>1,382,044</u>	<u>39,704</u>

The interest rate applied to the initial lease liability was 4.20%.

The new lease liabilities have interest rates applied of 5.09% and 5.39%

The additions during the year relate to the Group entering into new leases for the New Zealand and Australian entities.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**11 Leases (continued)**

**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.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases for low-value assets. Lease payments on these assets are expensed to the profit or loss as incurred.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**11 Leases (continued)**

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the consolidated statement of financial position:

Right of use asset	Buildings
No. of right of use assets leased	2
Range of remaining terms in months	26-44
Average remaining term in months	35
No. of leases with options to purchase	-
No. of leases with termination options	-

Future lease payments were as follows.	<b>2022</b>	<b>2021</b>
	\$	\$
Within 1 year	506,999	39,704
1-2 years	552,201	-
2-3 years	220,746	-
3-5 years	102,098	-
Over 5 years	-	-
<b>Total future lease payments</b>	<u>1,382,044</u>	<u>39,704</u>

*Impairment*

The Right of use asset is regularly assessed for impairment.

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Amounts recognised in statement of comprehensive income</b>		
Interest on lease liabilities	53,180	7,944
Depreciation on right of use assets	429,638	229,972
<b>Amounts recognised in statement of cash flow</b>		
Interest on lease liabilities	53,180	7,944
Principal lease payments	380,563	289,494



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**12 Intangible assets**

	Software \$	Customer relation- ships \$	Goodwill \$	Total \$
<b>Year ended 31 March 2022</b>				
Opening balance	3,390,605	456,016	995,691	4,842,312
Additions through business acquisition	2,389,951	-	1,474,070	3,864,021
Additions	100,001	-	-	100,001
<b>Total Intangible assets at Cost</b>	<u>5,880,557</u>	<u>456,016</u>	<u>2,469,761</u>	<u>8,806,334</u>
<b>Accumulated amortisation</b>				
Opening balance	892,651	57,002	-	949,653
Amortisation expense	1,048,556	45,602	-	1,094,158
<b>Total accumulated amortisation</b>	<u>1,941,207</u>	<u>102,604</u>	<u>-</u>	<u>2,043,811</u>
<b>Summary</b>				
Net carrying amount at 31 March 2021	<u>2,497,954</u>	<u>399,014</u>	<u>995,691</u>	<u>3,892,659</u>
<b>Net carrying amount at 31 March 2022</b>	<u><b>3,939,350</b></u>	<u><b>353,412</b></u>	<u><b>2,469,761</b></u>	<u><b>6,762,523</b></u>
<b>Year ended 31 March 2021</b>				
Opening balance	3,390,605	456,016	995,691	4,842,312
<b>Total Intangible assets at Cost</b>	<u>3,390,605</u>	<u>456,016</u>	<u>995,691</u>	<u>4,842,312</u>
<b>Accumulated amortisation</b>				
Opening balance	181,530	11,401	-	192,931
Amortisation expense	711,121	45,601	-	756,722
<b>Total accumulated amortisation</b>	<u>892,651</u>	<u>57,002</u>	<u>-</u>	<u>949,653</u>
<b>Summary</b>				
Net carrying amount at 31 March 2020	<u>3,209,075</u>	<u>444,615</u>	<u>995,691</u>	<u>4,649,381</u>
<b>Net carrying amount at 31 March 2021</b>	<u><b>2,497,954</b></u>	<u><b>399,014</b></u>	<u><b>995,691</b></u>	<u><b>3,892,659</b></u>



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**12 Intangible assets (continued)**

**Intangible assets policy**

*Recognition and policy*

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 - 5 years
- Customer relationships	10 years

*Impairment*

The Group tests whether goodwill has suffered any impairment on an annual basis. No impairment on the carrying amount of goodwill has been recognised during the financial year (2021: Nil).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Fair value less cost of disposal (FVLCD) is deemed to be the more appropriate method given the Group is an early-stage business hence there are difficulties in assessing WACC, forecast revenue, cash flows and forecast accuracy. Further, as a publicly listed entity, the fair value can be easily ascertained.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	2022	2021
	\$	\$
<b>13 Trade and other payables</b>		
<b>Current</b>		
Trade payables	234,691	232,279
Sundry payables	101,044	1,082
Accruals	268,872	155,659
Employee benefits	908,102	392,489
	1,512,709	781,509
<b>Non-current</b>		
Accruals	64,143	-
	1,576,852	781,509
<b>Total trade and other payables</b>	<u>1,576,852</u>	<u>781,509</u>

**Trade and other payables policy**

Trade and other payables are measured at amortised cost. 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 liability 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.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

	2022	2021			
	\$	\$			
<b>14 Interest bearing loans and borrowings</b>					
<b>Current</b>					
Vendor loan	-	235,580			
ASB term loan	486,248	254,284			
	486,248	489,864			
<b>Non-current</b>					
ASB term loan	1,344,881	812,553			
Callaghan R&D loan	419,592	407,594			
	1,764,473	1,220,147			
<b>Total interest bearing loans and borrowings</b>	2,250,721	1,710,011			
<b>Terms and repayment schedule</b>					
	<b>Interest</b>				
	<b>Currency</b>	<b>rate</b>			
		<b>Maturity date</b>			
Vendor loan	NZD	10%	17 July 2021	-	235,580
			29 January 2025 -		
ASB term loan	NZD	5-6%	30 October 2026	1,831,129	1,066,837
Callaghan R&D loan	NZD	3%	13 August 2030	419,592	407,594
				2,250,721	1,710,011

The face value and carrying value of the loans are the same.

The Company has met all of its 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. The loan balance at 31 March 2022 was \$419,592 which included an interest accrual of 3% (2021: \$407,594).

**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 the reporting date.





# Trade Window Holdings Limited

## Notes to the consolidated financial statements

### For the year ended 31 March 2022

#### 15 Financial instruments classification and risk management

The Group's overall financial risk management programme focuses primarily on maintaining a financial risk profile that provides flexibility to implement the Group's strategies, while optimising return on assets. Financial risk management is centralised, which supports compliance with the financial risk management policies and procedures set by the Board.

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.

All financial assets and liabilities (except for trade receivables that do not contain a significant financing component) are initially measured at fair value, adjusted for transaction costs (where applicable). Trade receivables without a significant financing component are initially measured at the transaction price in accordance with the recognition of revenue.

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 or 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 or loss. Any gain or loss on derecognition is recognised in profit or 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 or loss. Any gain or loss on derecognition is recognised in profit or loss.

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



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**15 Financial instruments classification and risk management (continued)**

*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.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

There were no financial instruments at fair value at balance date.

**Financial risk management**

The Group had exposure to the following risks from its use of financial instruments:

- Market risk (mainly interest rate risk)
- Credit risk
- Liquidity risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Audit and Risk Committee, which is responsible for developing and monitoring the Group's risk management policies. A risk register is maintained, and the Committee reports regularly to the board of directors on its activities. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**15 Financial instruments classification and risk management (continued)**

**Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

*Interest rate risk*

The Group's exposure to the risk of changes in interest rates primarily affects borrowings. The Group had floating interest rates throughout the year.

The following table illustrates the sensitivity of profit/ (loss) and equity to a reasonably possible change in interest rates of +/- 1% (2021: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Change in</b>	<b>Change in</b>	<b>Change in</b>	<b>Change in</b>
	<b>profit/(loss)</b>	<b>equity</b>	<b>profit/(loss)</b>	<b>equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Variable interest rates +1%	17,560	17,560	10,668	10,668
Variable interest rates -1%	(18,014)	(18,014)	(10,668)	(10,668)

*Foreign exchange risk*

The Group is not subject to material foreign exchange risk.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade receivables.

In respect of trade receivables, the Group is not exposed to any significant credit risk. There is no history of customer default and management consider the credit quality of trade receivables to be good. The Group trades with recognised, creditworthy third parties or requires payment in advance. The profile of future customers is expected to be similar to that of past customers. On this basis, the Group does not feel it necessary to have a written credit policy in place, however management continue to monitor this risk.

Credit risk relating to bank balances is managed by banking with major financial institutions with high quality external credit ratings.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**15 Financial instruments classification and risk management (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by maintaining adequate cash reserves and banking facilities. Forecast and actual cash flows are continuously monitored with the maturity profiles of the majority of financial assets and liabilities matched.

**Liquidity profile of financial assets**

	<b>6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 31 March 2022</b>			
Cash and cash equivalents	5,932,558	-	-
Trade and other receivables	1,508,533	-	-
Restricted Cash	-	-	98,604
	<u>7,441,091</u>	<u>-</u>	<u>98,604</u>
<b>Year ended 31 March 2021</b>			
Cash and cash equivalents	1,413,224	-	-
Trade and other receivables	365,692	-	18,057
	<u>1,778,916</u>	<u>-</u>	<u>18,057</u>

**Financial liabilities based on contractual cashflows due within**

	<b>6 Months</b>	<b>6-12 Months</b>	<b>1-5 Years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 31 March 2022</b>			
Trade and other payables	1,512,709	-	64,143
Interest bearing loans and borrowings	239,499	246,749	1,344,881
Related party payables	7,071	-	-
Lease liabilities	248,232	258,767	875,045
	<u>2,007,511</u>	<u>505,516</u>	<u>2,284,069</u>
<b>Year ended 31 March 2021</b>			
Trade and other payables	781,509	-	-
Interest bearing loans and borrowings	363,211	126,653	812,553
Related party payables	40,470	-	-
Lease liabilities	39,704	-	-
Dividend payable	30,380	-	-
	<u>1,255,274</u>	<u>126,653</u>	<u>812,553</u>

**Total financial liabilities exposed to liquidity risk**

Although related party loans are repayable on demand, the shareholders do not intend to call upon these loans within the next 12 months.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**16 Related party**

**Key management personnel**

The Group has related party relationships with its directors and other key management personnel as listed below. Remuneration of key management personnel during the year amounted to \$1,723,105 (2021: \$1,570,267), of which \$1,283,028 (2021: \$1,068,188) was for short-term employee benefits and \$440,077 (2021: \$502,079) was for share-based payment expense. There were directors fees of \$107,896 paid during the year (2021: Nil).

**Other related parties**

ASB Bank Limited is a shareholder of the Group. During the previous year, the Group issued convertible notes amounting to \$1,250,000 (see Note 20) to ASB Bank Limited. The Group has bank balances with the ASB Bank (see Note 8.1) as well as some interest bearing loan facilities as stated in Note 14.

**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:

<b>Related entity</b>	<b>Nature of relationship</b>	<b>Types of transactions</b>
ASB Bank Limited	Shareholder	Funds advanced, convertible notes issued, balances payable, cash at bank, shares issued
F40 Developments Ltd	Common ownership	Supplier of Services
Independent Verification	Common ownership	Supplier of Services
Kerry Friend	Executive director, beneficial shareholder	Employment agreement, ESOP
Albertus Johannes Smith	Executive director, shareholder	Employment agreement, ESOP

Technalise Limited and Prodoc Limited were both related parties during the previous financial year. This year they are no longer related parties.

When the 10:1 share exchange happened on 19 November 2021, all shares held by Trade Window Nominees Limited were transferred to the individuals. It is no longer a shareholder or related party.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**16 Related party (continued)**

The following transactions and outstanding balances between related parties occurred during the year:

**31 March 2022**

<b>Related party entity:</b>	<b>Purchases/ Salaries</b>	<b>Balances payable</b>	<b>Interest bearing loans</b>	<b>Cash at bank</b>	<b>Convertible notes</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
ASB Bank Limited	-	-	1,831,129	5,825,531	-
Independent Verification Services Limited	74,469	7,071	-	-	-
F40 Developments Limited	153,833	-	-	-	-
Key management personnel	1,723,105	-	-	-	-
	<u>1,951,407</u>	<u>7,071</u>	<u>1,831,129</u>	<u>5,825,531</u>	<u>-</u>

**31 March 2021**

<b>Related party entity:</b>	<b>Purchases/ Salaries</b>	<b>Balances payable</b>	<b>Interest bearing loans</b>	<b>Cash at bank</b>	<b>Convertible notes</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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 Limited	250,000	24,004	-	-	-
Key management personnel	1,570,267	-	-	-	158,964
	<u>2,025,423</u>	<u>40,470</u>	<u>1,302,417</u>	<u>1,314,649</u>	<u>1,408,964</u>



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**17 Interest in subsidiaries**

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

	<b>Country of incorporation</b>	<b>Principal place of business</b>	<b>2022</b>	<b>2021</b>
Trade Window Limited	New Zealand	New Zealand	100%	100%
Trade Window Pty Limited	Australia	Australia	100%	100%
Trade Window Pte Limited	Singapore	Singapore	100%	100%
TradeWindow Services Limited	New Zealand	New Zealand	100%	100%
Trade Window Origin Limited	New Zealand	New Zealand	100%	100%
Trade Window Nominees Limited	New Zealand	New Zealand	100%	100%
Trade Window CNCO Pte Limited	Singapore	Singapore	100%	100%

Trade Window Holdings Limited acquired all of the shares of Trade Window Limited on 19 November 2021 as part of Trade Window's listing process. There was no other change operationally and TWHL was effectively inserted above TWL and is, in substance, a continuation of the existing group.

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.

All subsidiaries have a 31 March balance date.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**18 Business acquisitions**

**Speedi Software Limited (Speedi)**

On 1 October 2021 the Group acquired the assets of Tauranga based border clearance software company, Speedi Software Limited. The acquisition provided the Group with a cost effective and lower risk way to acquire customers, capability and extend its ecosystem reach.

The details of the business combination are as follows:

	<b>2022</b>
	<b>\$</b>
<b>Fair value of consideration transferred</b>	
Amount settled in shares (78,794 shares)	725,000
Amount settled via cash	725,000
<b>Total fair value of consideration transferred</b>	<b><u>1,450,000</u></b>
 <b>Recognised identifiable net assets</b>	
Software	1,200,000
Goodwill	250,000
<b>Total identifiable net assets</b>	<b><u>1,450,000</u></b>

The Speedi acquisition contributed \$0.3m to the consolidated revenue for the six months ended 31 March 2022. However, the business is not subject to significant seasonality. As such, annualized revenue for the 12 months ended 31 March 2022 is expected to be approximately \$0.6m. The business did not have a requirement to prepare NZ IFRS financial statements prior to acquisition.

The strategic rationale for acquiring the business is to integrate into Trade Window's suite of solutions and therefore a separate profit and loss is not maintained and impractical to desegregate.

As part of the recognised identifiable net assets, there is a portion of goodwill which has been recognised. This is composed of intangible benefits such as sales and product synergies.





**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**18 Business acquisitions (continued)**

**Cyberfreight**

On 1 April 2021, the Group acquired the assets of Sydney based freight forwarding software company, Hi-Tech Freight Solutions (Aust.) Pty Limited ("HTFSL") for AU\$2.25 million. The Group also acquired at the same time the assets of Cyberfreight Solutions Pte. Limited ("CSPL"), a Singaporean company related to HTFSL for SG\$5,000 cash. HTFS and CSPL, were together known as "Cyberfreight", Cyberfreight has since been rebranded as "TradeWindow Freight". The acquisition of Cyberfreight provided the Group with a cost-effective way to amass a high-quality customer base, access to freight management capabilities, and secure market share in Australia and further afield.

The details of the business combination are as follows:

	<b>2022</b>
	<b>\$</b>
<b>Fair value of consideration transferred</b>	
Amount settled in shares (188,810 shares)	1,628,037
Amount settled via cash	813,445
<b>Total fair value of consideration transferred</b>	<b><u>2,441,482</u></b>
<b>Recognised identifiable net assets</b>	
Software	1,189,951
Plant and equipment	47,921
Deferred income	(20,460)
Goodwill	1,224,070
<b>Total identifiable net assets</b>	<b><u>2,441,482</u></b>

Cyberfreight contributed \$1.4 million to the consolidated revenue for the 12 months from 1 April 2021 to 31 March 2022. The business did not have a requirement to prepare NZ IFRS financial statements prior to acquisition.

The strategic rationale for acquiring the business is to integrate into Trade Window's suite of solutions and therefore a separate profit and loss is not maintained and impractical to desegregate.

As part of the recognised identifiable net assets, there is a portion of goodwill which has been recognised. This is composed of intangible benefits such as sales and product synergies.

**Equity instruments issued** - The fair value of the ordinary shares issued was based on the share price of the company at the date of listing.

**Measurement of fair values** - The valuation techniques used for measuring the fair value of material assets acquired in all business acquisitions were as follows:

**Property, plant and equipment** - as the value of the tangible assets purchased are immaterial, these have been recognised at the vendor's book value.

**Software** - where there is no comparable product which Trade Window could purchase off the shelf to continue serving its customers, software has been measured based on the estimated development cost to replicate the acquired software.

These valuations are key accounting estimates.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**19 Share capital**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Number of</b>	<b>Number of</b>	<b>\$</b>	<b>\$</b>
	<b>shares</b>	<b>shares</b>		
<b>Shares</b>				
Balance 1 April	5,780,472	5,634,833	6,147,047	5,153,545
Issue of ordinary shares	1,630,239	-	15,000,000	(64,463)
Shares issued in respect of business acquisitions	267,604	48,206	2,353,037	416,500
Shares issued in respect of employee share options exercised	79,721	97,433	716,347	641,465
2020 Convertible note exchange	845,124	-	6,818,964	-
Shares issued in respect of 10:1 share exchange on formation of TWHL (see Note 1)	77,428,440	-		-
Staff listing day bonus shares	100,607	-	92,532	-
Shares issued in respect of employee share options exercised	241,109	-	205,557	-
<b>Balance at 31 March</b>	<u>86,373,316</u>	<u>5,780,472</u>	<u>31,333,484</u>	<u>6,147,047</u>

On 1 April 2021 Trade Window Limited issued 94,405 shares to Douglas Meuross valued at \$814,019 and 94,405 shares to Sally Wallace valued at \$814,019 as part of the Cyberfreight acquisition, to the total value of \$1,628,037.

On 1 October 2021 Trade Window Limited issued 7,880 shares to Russell and Margaret Beswick valued at \$72,506, 31,517 shares to Andrew Hickton valued at \$289,994 and 39,397 shares to RW and MJ Beswick Trust valued at \$362,500 as part of the acquisition of Speedi Software Limited to the total value of \$725,000.

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 total value of \$416,500.

At 31 March 2022, share capital comprised 86,373,316 shares. All issued shares rank equally, are fully paid and have no par value.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**19 Share capital (continued)**

**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.

**Capital management**

For the purpose of the Group's capital management, capital includes issued capital, convertible notes and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. There are no externally imposed capital requirements.

**20 Convertible notes**

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Convertible notes</b>		
Balance 1 April	6,818,964	1,000,000
(Converted)/Issued to Independent Parties	(4,410,000)	4,410,000
(Converted)/Issued to Related Parties	(2,408,964)	1,408,964
<b>Balance at 31 March</b>	<u>-</u>	<u>6,818,964</u>

There were no convertible notes issued during the year (2021: \$5,818,964). All convertible notes previously issued were converted to share capital during the year.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**21 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 and 19 November 2021. 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. During the year ended 31 March 2021, an additional share option scheme for employees was also introduced and all options granted under this scheme vested and were exercised within that year.

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

	<b>Number of options</b>	<b>Weighted average exercise price</b>	
<b>Year ended 31 March 2022</b>			
Outstanding at the beginning of the period	40,511	0.00864	
Granted prior to listing	98,801	0.00885	
Vested prior to listing	(79,721)	0.00882	
Revoked prior to listing	(1,022)	0.00864	
10:1 Conversion on share exchange	527,121	0.00092	
Cancelled after listing	(27,170)	0.00092	
Vested after listing	(241,209)	0.00092	
<b>Outstanding at the end of the Period</b>	<b>317,311</b>	<b>0.00100</b>	
<b>Year ended 31 March 2021</b>			
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	
<b>Outstanding at the end of the period</b>	<b>40,511</b>	<b>0.00864</b>	
<b>Grant Date</b>	<b>Number of instruments</b>	<b>Vesting conditions</b>	<b>Contractual life of options</b>
<b>Options granted to employees</b>			
1 May 2021 to 1 February 2022	910,141	Must be employed by the company on vesting date	5 years
	<b>910,141</b>		

**Expense recognised in profit or loss**

The total expense recognised in the statement of comprehensive income during the year was \$725,065 (2021: \$867,188).



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**21 Share based payment arrangements (continued)**

**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.

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.

No options were approved to be issued under the existing scheme since prior to listing on 19 November 2021. A new scheme is planned to be introduced to replace it.

**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.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**22 Capital commitments**

There are no capital commitments at year end (2021: Nil).

**23 Contingencies**

The Group has a contingent liability in 2022 of \$1,035,902 relating to R&D tax losses cashed out (2021: \$475,902). 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.

There are no other contingencies.

**24 Subsequent events**

On 17 May 2022 Trade Window entered a conditional agreement to acquire the business and assets of Rfider Limited, an Auckland-based software company. The transaction is conditional on Trade Window sourcing additional funding by 30 July 2022, or otherwise waiving the condition. At the date of signing these financial statements, Trade Window had not taken control and as such it is not practical to fair value the transaction.

There are no other subsequent events after 31 March 2022 that require disclosure.

**25 Segment reporting**

An operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM") on a monthly basis. The CODM, who is responsible for allocating resources and assessing performance of the operating segment(s) is part of the senior leadership team and is involved in strategic decision making of the Group. Management has determined there is one operating segment based on the reports reviewed by the CODM.

The reason for looking at the business as one segment is because of the inter-related nature of the services and their dependence on the Trade Window software which cannot be separated between different products and services. The performance of the operating segment is reviewed by the CODM and action plans are agreed with the management where necessary to improve performance of the business.

The reportable operating segment derives its revenues from the provision of software solutions to its customers. There are no major customers that make up to 10% of revenues. The CODM assesses the performance of the operating segment from revenue to net income. The total revenue, direct costs, operating expenses, interest and foreign exchange gains and losses, tax and net income are reviewed.

The amounts reported with respect to segment total assets and liabilities are measured in a manner consistent with the consolidated statement of financial position. Reportable segment assets and liabilities are equal to total assets and liabilities hence no reconciliation is required. The majority of the Group's operations are within New Zealand and there are no other material geographic segments.



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**26 Earnings per share**

Basic earnings/(deficit) per share is calculated by dividing the net profit/(loss) for the year attributable to the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year adjusted by the number of ordinary shares bought back or issued during the year multiplied by a time-weighting factor. Diluted earnings per share additionally considers the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The reconciliation of the weighted average number of shares for the purpose of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is below.

The earnings per share for the year ended 31 March was as follows:

	<b>2022</b>	<b>2021</b>
<b>Profit (loss) attributable to ordinary shareholders</b>	(10,823,622)	(6,597,407)
<b>Weighted average number of shares</b>		
Basic (ordinary shares)	86,373,316	5,780,472
Effect of conversion of convertible notes	-	6,818,964
Diluted (ordinary shares plus convertible notes)	<u>86,373,316</u>	<u>12,599,436</u>
Basic EPS(\$)	(0.13)	(1.14)
Diluted EPS (\$)	(0.13)	(0.52)
<b>27 Cash flow reconciliation</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Net profit (loss) after tax</b>	(10,823,758)	(6,598,254)
<b>Classification Differences</b>		
- Net finance expense	169,673	141,037
- Loss on disposal	28,296	68,493
- Make good provision	(64,143)	-
<b>Statement of financial position movements</b>		
- Trade and other receivables (excluding related party)	(1,387,913)	(252,317)
- Contract assets	(25,880)	(51,929)
- Trade and other payables	795,343	355,724
- Contract liabilities	413,774	(175,386)
- Income tax payable	(7,905)	(534)
- Other movements	(77,749)	445
<b>Other non-cash items</b>		
- Depreciation, amortisation and impairment	1,666,826	1,069,502
- Employee share scheme	817,623	867,188
<b>Net cash from operating activities</b>	<u>(8,495,813)</u>	<u>(4,576,031)</u>



**Trade Window Holdings Limited**  
**Notes to the consolidated financial statements**  
**For the year ended 31 March 2022**

**28 Reconciliation of liabilities arising from financing activities**

The changes in liabilities arising from financing activities can be classified as follows:

	<b>Lease liabilities</b>	<b>Long-term</b>	<b>Short-term</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>1 April 2021</b>	39,704	1,220,147	489,864	1,749,715
<i>Cashflows:</i>				
- Repayment	(380,563)	-	(616,288)	(996,851)
- Proceeds	-	1,145,000	-	1,145,000
- Interest	(53,180)	-	(89,660)	(142,840)
<i>Non-cash:</i>				
- Reclassification	-	(612,672)	612,672	-
- Additions to right-of-use asset in exchange for increased lease liabilities	1,722,903	-	-	1,722,903
- Interest	53,180	11,998	89,660	154,838
<b>Balance at 31 March 2022</b>	<u>1,382,044</u>	<u>1,764,473</u>	<u>486,248</u>	<u>3,632,765</u>
<b>Year ended 31 March 2021</b>				
Opening balance	731,649	1,067,085	851,946	2,650,680
<i>Cashflows:</i>				
- Repayment	(289,494)	-	(616,614)	(906,108)
- Proceeds	-	400,000	-	400,000
- Interest	(7,944)	-	(126,685)	(134,629)
<i>Non-cash:</i>				
- Reclassification	-	(254,532)	254,532	-
- Remeasurement	(402,451)	-	-	(402,451)
- Interest	7,944	7,594	126,685	142,223
<b>Balance at 31 March 2021</b>	<u>39,704</u>	<u>1,220,147</u>	<u>489,864</u>	<u>1,749,715</u>





**Trade Window Holdings Limited**  
**General disclosures**  
**For the year ended 31 March 2022**

**Interest 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 at 31 March 2022 are as follows:

**Albertus J Smith**

Trade Window Origin Limited	Director
TradeWindow Services Limited	Director
Trade Window Limited	Director
Trade Window Holdings Limited	Director/Shareholder
Trade Window Pty Limited	Director
Trade Window Pte Limited	Director
Trade Window CNCO Pte Limited	Director
Luxmarket Limited	N/A

**Kerry M Friend**

Tomadachi No.2 Trust	Trustee and Shareholder in TWHL
Trade Window Nominees Limited	Director
Trade Window Limited	Director
TradeWindow Services Limited	Director
Trade Window Holdings Limited	Director/Shareholder

**Nigel C Annett (ceased 19 November 2021)**

Foundation Group NZ Limited	Director
Coffee Distribution NZ Limited	Director
World Coffee Limited	Director
ASB Bank Limited	EGM - Corporate Banking

**Alasdair J MacLeod**

Silverstripe Limited	Chair
Napier Port Holdings Limited and subsidiary Napier Port Limited	Chair
Hold Fast Investments Limited	Chair
Silverstripe Trustees Limited	Director
Big Brothers Big Sisters Hawke's Bay	Trustee
IHC- Board Appointments Committee	Independent Director

**Diana M Puketapu**

Napier Port Holdings Limited and subsidiary Napier Port Limited	Director
Ngati Porou Holding Company Limited (and subsidiaries)	Director
Tamaki Regeneration Company Limited (and subsidiaries)	Director
Manawanui Support Limited	Director
DNA Designed Limited	Director
New Zealand Olympic Committee	Director
New Zealand Cricket	Director

**Trade Window Holdings Limited**  
**General disclosures**  
**For the year ended 31 March 2022**

**Interest register (continued)**

**Phillip J Norman**

Straker Translations Limited (ASX listed)	Director/Shareholder/Options Holder
Plexure Group Limited (NZX & ASX listed)	Director/Shareholder
Just Life Group Limited (NZX listed)	Director
Trade Window Holdings Limited (NZX listed)	Director
Trade Window Limited	Director
Plexure Limited	Director
VMob IP Limited	Director
VMob Singapore Pte Limited	Director
Xero Limited (ASX listed)	Shareholder
Loyalty New Zealand Limited	Director
UBNZ World Markets (NZ) Limited	Shareholder
iSport Federation Holdings Limited	Shareholder
Nortek Management Services Limited	Director/Shareholder
TruScreen Limited (NZX listed)	Shareholder
MyWave Holdings Limited	Shareholder
Touchpoint Group Limited	Director/Shareholder/Options Holder
Bright Spark Innovations GP Limited	Director/Shareholder/Options Holder
Atrax Group New Zealand Limited	Advisory Board Member
Liquidity Pty Limited	Advisory Board Member

**Francis (Peter) J Webb**

Ngatoto Trust Limited	Trustee
Masambri Holdings Limited	Director
IVS Group Holdings Limited	Director
Independent Verification Services Limited	Director/CEO
IVS Training Limited	Director/CEO
IVS Labs Limited	Director/CEO
Project 42 Limited	Director
Ontracknz 2020 Limited	Director
Tradewindow Origin Limited	Director
Tradewindow Limited	Shareholder
Willomane Limited	Director

**Trade Window Holdings Limited**  
**General disclosures**  
**For the year ended 31 March 2022**

**Interest register (continued)**

**Justin T Reynolds (Nominee)**

Trade Window Pty Limited Director

**Kelvin M Feng (Nominee)**

Trade Window Pte Limited Director

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 Holdings Limited at any time during the year ended 31 March 2022 and their remuneration, are as follows:

	<b>Director and consulting fees</b>	<b>Salary</b>	<b>ESOP</b>	<b>Total</b>
	\$	\$	\$	\$
Albertus J Smith	-	296,958	94,918	391,876
Kerry M Friend	-	184,541	94,918	279,459
Alasdair J MacLeod	60,147	-	-	60,147
Diana M Puketapu	36,749	-	-	36,749
Phillip J Norman	36,833	-	-	36,833

No directors fees were paid to directors of subsidiary entities.

**Employee remuneration**

Trade Window Holdings 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:

<b>Remuneration including share-based remuneration (\$)</b>	<b>Number of employees (Total: 32)</b>
100,001 - 110,000	7
110,001 - 120,000	4
120,001 - 130,000	6
130,001 - 140,000	2
140,001 - 150,000	2
190,001 - 200,000	1
200,001 - 210,000	1
210,001 - 220,000	1
250,001 - 260,000	1
260,001 - 270,000	1
270,001 - 280,000	1
300,001 - 310,000	3
390,001 - 400,000	1
420,001 - 430,000	1

**Donations**

During the year ended 31 March 2022, the Group made donations of \$Nil (2021: \$300).



# Independent Auditor's Report

To the shareholders of Trade Window Holdings Limited

## Report on the audit of the consolidated financial statements

### Opinion

In our opinion, the consolidated financial statements of Trade Window Holdings Limited (the 'company') and its subsidiaries (the 'group') on pages 3 to 46:

- i. present fairly in all material respects the Group's financial position as at 31 March 2022 and its financial performance and cash flows for the year ended on that date in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

We have audited the accompanying consolidated financial statements which comprise:

- the consolidated statement of financial position as at 31 March 2022;
- 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.



### 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.

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



### Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates for the year ended 31 March 2022 the Group reported a loss of \$10.8 million, had negative operating cashflows of \$8.5 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/or equity financing to fund projected cashflow deficits and continue to have support of its bankers and shareholders, 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.



## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements in the current period. Except for the matter described in the material uncertainty related to going concern, we summarise below those matters and our key audit procedures to address those matters in order that the shareholders as a body may better understand the process by which we arrived at our audit opinion. Our procedures were undertaken in the context of and solely for the purpose of our statutory audit opinion on the consolidated financial statements as a whole and we do not express discrete opinions on separate elements of the consolidated financial statements

### The key audit matter

### How the matter was addressed in our audit

#### Revenue recognition

Refer to Note 3.1 of the Consolidated Financial Statements.

The Group has several revenue streams and the revenue recognition policy for each stream is different.

We focused on this area because the recognition of revenue in accordance with NZ IFRS 15 involves judgement and the outcome has a significant impact on profit or loss and the financial position of the Group.

Our audit procedures included, among others:

- Assessing whether the Group's revenue recognition policy is in compliance with NZ IFRS 15;
- Reviewing any changes or new contractual terms and conditions entered into with new customers or new revenue streams during the period to identify any potential impact on performance obligations required to satisfy the contract;
- Selecting a sample of contracts during the year for each revenue stream and agreeing the sample to the contract terms and assessing these contractual terms against the requirements of NZ IFRS 15;
- Checking a sample of customer invoices immediately prior to and after year end to ensure revenue is recognised in the correct period; and
- Performing high risk journal entry testing with the testing criteria specifically targeting revenue and debtor transactions.

We did not identify any matters that indicated that revenue is materially misstated.

#### Business acquisitions

Refer to Note 18 of the Consolidated Financial Statements.

On 1 April 2021, the Group acquired 100% of Hi-Tech Freight Solutions (Aust.) Pty Limited and Cyberfreight Solutions Pte. Limited for \$2.4 million.

On 1 October 2021, the Group acquired the business and assets of SpeEDI Software Limited for a consideration of \$1.45 million.

Our audit procedures included, among others:

- Assessing whether the business acquisition has been appropriately accounted for in accordance with applicable financial reporting standards and reflects terms and conditions of the sale and purchase agreement;
- Involving our own valuation specialists to support us in challenging the valuations produced by the Group and the methodologies used to identify the assets and liabilities acquired, in particular the methodologies adopted and key assumptions used to determine fair value of the software

## The key audit matter

## How the matter was addressed in our audit

The accounting for these transactions is complex due to the significant judgements and estimates that are required to determine the values of the consideration transferred and the identification and measurement of the fair value of the assets acquired and liabilities assumed.

Due to the size and complexity of the acquisition, we considered this to be a key audit matter

intangible assets, which included challenging management's assumption on the estimated cost to develop the software and comparing the opportunity cost with historical performance.

- Evaluating the adequacy of the financial statement disclosures, including disclosure of key assumptions, judgements and sensitivities.

We did not identify any factors that were materially inconsistent with management's overall conclusions.

## 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) and International Financial Reporting Standards;
- 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.



---

**xlr 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-1/>

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

The engagement partner on the audit resulting in this independent auditor's report is Aaron Woolsey

For and on behalf of

KPMG  
Auckland

30 May 2022