



# Consolidated Financial Statements

Year End // 31 March 2024

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# Independent auditor's report

To the shareholders of ikeGPS Group Limited

## Report on the audit of the consolidated financial statements



### Opinion

We have audited the consolidated financial statements of ikeGPS Group Limited (the "Company"), including its subsidiaries (the "Group") on pages 5 to 38 which comprise the consolidated statement of financial position as at 31 March 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2024 and of its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board and International Financial Reporting Standards ("IFRS").



### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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



### Key audit matters

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

## Why the matter is significant

### Capitalisation of development costs

The Group is a Software as a Service (“SaaS”) provider which incurs significant expenditure in developing and maintaining its software assets.

NZ IAS 38 *Intangible Assets* outlines the criteria for capitalisation of costs associated with developing the software including whether the software will generate future economic benefits.

As disclosed in Note 12, capitalised software costs are recognised at cost and subsequently amortised over their estimated useful lives. Costs that do not meet the criteria for capitalisation are expensed to profit or loss as incurred.

The calculation and capitalisation of costs involve significant judgment, particularly in estimating the time staff spent on development, attributing costs to that time and assessing the future economic recovery of the associated asset.

The complexity and subjectivity involved in these estimates create a risk that development costs may not be appropriately capitalised or amortised, which could impact the valuation of non-current assets and the accuracy of the consolidated financial statements.

Refer to Note 12 in the consolidated financial statements for disclosures on the capitalised development costs.

## How our audit addressed the key audit matter

The procedures we performed to evaluate the capitalisation of development costs included:

- obtaining an understanding of the nature and background of the activities and costs that are capitalised;
- reviewing a sample of projects and assessing whether they met the capitalisation criteria in NZ IAS 38 *Intangible Assets*;
- agreeing a sample of costs capitalised to relevant audit evidence to ensure they were reasonable and appropriate; and
- reviewing disclosures in the consolidated financial statements for reasonableness and appropriateness.

### Impairment assessment and the carrying value of assets.

As disclosed in Note 3, Material accounting policies, the Group has undertaken an assessment of the carrying value of its assets including intangible assets on an annual basis in accordance with NZ IAS 36 *Impairment of Assets*.

Cash generating units (CGUs) that are yet to be profit generating may indicate there is an impairment. In addition, certain CGU's hold intangible assets in development that are not yet ready for use. Accordingly, these assets are required to be tested for impairment.

Impairment assessments are a key audit matter due to the materiality of the assets, the risk of impairment, and the significant level of judgement applied in estimating future cash flows and other key assumptions in determining the recoverable amount of a CGU.

To determine whether the carrying value of assets including intangibles is reasonable, management performed an impairment assessment on a value-in-use (VIU) basis. Management determined there were four CGUs:

- Ike core platform, intangible assets, property, plant and equipment, capital work-in-progress, leased assets and working capital (CGU1).
- Spike: development assets and working capital (CGU2).

The procedures we performed to evaluate the impairment assessment included:

- performing procedures to evaluate and challenge the Group's determination of CGUs. This included reviewing internal management reporting to assess the level at which the Group monitors performance, comparing CGUs to our knowledge of the Group's operations and reporting systems, and reconciling assets allocated to CGUs to accounting records;
- obtaining management's impairment assessments and testing the mathematical accuracy of the VIU calculations.
- considering and challenging key assumptions and using our internal valuation experts to assess the valuation methodology's compliance with NZ IAS 36, and the appropriateness of the pre-tax discount rates and terminal growth rates, based on their experience and external evidence.
- comparing the forecast cash flows used for the year ending 31 March 2025 to the Board approved business plan and reviewing the basis for cash flow forecasts beyond this period that underpin the impairment calculation.
- auditing the disclosures in the consolidated financial statements to ensure they are compliant with the requirements of the relevant accounting standards.

- Ike Structural: intangible assets, capital work in progress and working capital (CGU3); and
- Ike Insight: intangible assets, and capital work in progress (CGU4).

Impairment tests prepared by management were based on discounted cashflow models using the Board approved budget for the year ending 31 March 2025 and combined with forecasted cash flows for subsequent years. The Board approved budgets have been adjusted to meet the requirements of NZ IAS 36 *Impairment of Assets*.

The key assumptions in assessing CGU carrying value, were as follows:

- Average forecast annual revenue growth rates;
- The terminal value growth rate; and
- The pre-tax discount rate.

Refer to Notes 3 and 12 in the consolidated financial statements for disclosures on the key assumptions and impairment assessments of the carrying value of assets.



### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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 to be materially misstated.



### Directors' responsibilities for the consolidated financial statements

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

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



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

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1>



### Restriction on use of our report

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

**Grant Thornton New Zealand Audit Limited**

*Grant Thornton*

**B R Smith**

**Partner**

**Wellington**

**30 May 2024**



# Consolidated statement of profit or loss and other comprehensive income

	Note	Year ended 31 March	
		2024	2023
		NZ\$'000	NZ\$'000
Operating revenue	5	21,104	30,789
Cost of sales		(8,424)	(14,444)
<b>Gross profit</b>		<b>12,680</b>	<b>16,345</b>
Other income	5	427	287
Foreign exchange gains		326	1,017
Movement of fair value assets and liabilities	5	23	2,574
<b>Total other income, gains, and losses</b>		<b>776</b>	<b>3,878</b>
Support costs		(1,344)	(1,100)
Sales and marketing expenses		(10,201)	(8,112)
Research and engineering expenses		(10,287)	(11,390)
Corporate costs		(6,868)	(7,384)
<b>Expenses</b>	<b>6</b>	<b>(28,700)</b>	<b>(27,986)</b>
<b>Operating loss</b>		<b>(15,244)</b>	<b>(7,763)</b>
Net finance income/(expense)		199	(116)
<b>Net loss before income tax</b>		<b>(15,045)</b>	<b>(7,879)</b>
Income tax credit/(expense)	7	-	(8)
<b>Loss attributable to owners of ikeGPS Group Limited</b>		<b>(15,045)</b>	<b>(7,887)</b>
<b>Other comprehensive loss</b>			
Exchange differences on translation of foreign operations		351	1,250
<b>Comprehensive loss</b>		<b>(14,694)</b>	<b>(6,637)</b>
Basic and diluted loss per share	19	\$ (0.09)	\$ (0.05)

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

## Consolidated statement of changes in equity

	Share capital	Accumulated losses	Share-based payment reserve	Foreign currency translation reserve	Total
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
<b>Balance at 1 April 2022</b>	104,751	(67,674)	2,768	(640)	39,205
Net loss for the year after tax	-	(7,887)	-	-	(7,887)
Currency translation differences	-	-	-	1,250	1,250
<b>Total comprehensive loss for the year</b>	-	(7,887)	-	1,250	(6,637)
<i>Transactions with owners:</i>					
Recognition of vesting of share-based options	-	-	1,232	-	1,232
Issue of shares from exercise of share options	27	-	(27)	-	-
Share-based options forfeited during the year	-	69	(127)	-	(58)
Equity movements arising from business combinations	340	-	(147)	-	193
<b>Total transactions with owners</b>	<b>367</b>	<b>69</b>	<b>931</b>	<b>-</b>	<b>1,367</b>
<b>Balance at 31 March 2023</b>	<b>105,118</b>	<b>(75,492)</b>	<b>3,699</b>	<b>610</b>	<b>33,935</b>

	Share capital	Accumulated losses	Share-based payment reserve	Foreign currency translation reserve	Total
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
<b>Balance at 1 April 2023</b>	105,118	(75,492)	3,699	610	33,935
Net loss for the year after tax	-	(15,045)	-	-	(15,045)
Currency translation differences	-	-	-	351	351
<b>Total comprehensive loss for the year</b>	-	(15,045)	-	351	(14,694)
<i>Transactions with owners:</i>					
Recognition of vesting of share-based options	-	-	790	-	790
Issue of shares from exercise of share options	57	-	(57)	-	-
Share-based options forfeited during the year	-	230	(288)	-	(58)
Equity movements arising from business combinations	201	-	(243)	-	(42)
Issue of share capital from share based payment	166	-	-	-	166
<b>Total transactions with owners</b>	<b>424</b>	<b>230</b>	<b>202</b>	<b>-</b>	<b>856</b>
<b>Balance at 31 March 2024</b>	<b>105,542</b>	<b>(90,307)</b>	<b>3,901</b>	<b>961</b>	<b>20,097</b>

The accompanying notes form part of, and should be read in conjunction with, these financial statements.



# Consolidated statement of financial position

As at 31 March  
Group

	Note	2024	2023
		NZ\$'000	NZ\$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	10,242	18,048
Trade and other receivables	9	5,114	5,212
Prepayments		782	902
Contract costs		696	295
Financial instruments		10	193
Lease assets	13	-	12
Inventory	10	1,865	2,472
<b>Total current assets</b>		<b>18,709</b>	<b>27,134</b>
<b>Non-current assets</b>			
Property, plant, and equipment	11	2,857	2,798
Intangible assets	12	13,085	13,104
Lease assets	13	1,245	-
Inventory	10	205	238
<b>Total non-current assets</b>		<b>17,392</b>	<b>16,140</b>
<b>Total assets</b>		<b>36,101</b>	<b>43,274</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	14	1,226	2,284
Employee entitlements		1,664	1,326
Current Tax Liability	7	-	8
Provision	24	272	262
Other liabilities	15	279	534
Lease liabilities	13	324	14
Deferred income	5	7,403	4,728
<b>Total current liabilities</b>		<b>11,168</b>	<b>9,156</b>
<b>Non-current liabilities</b>			
Lease liabilities	13	1,009	-
Deferred income	5	3,827	183
<b>Total non-current liabilities</b>		<b>4,836</b>	<b>183</b>
<b>Total liabilities</b>		<b>16,004</b>	<b>9,339</b>
<b>Total net assets</b>		<b>20,097</b>	<b>33,935</b>
<b>EQUITY</b>			
Share capital	18	105,542	105,118
Share-based payment reserve	21	3,901	3,699
Accumulated losses		(90,307)	(75,492)
Foreign currency translation reserve		961	610
<b>Total equity</b>		<b>20,097</b>	<b>33,935</b>

Director

Date: 30 May 2024

NZ (New Zealand Time)

Director

Date: 30 May 2024

NZ (New Zealand Time)

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

# Consolidated statement of cash flows

	Note	Year ended 31 March Group	
		2024 NZ\$'000	2023 NZ\$'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		26,901	31,985
Cash paid to suppliers and employees		(31,433)	(34,323)
Payment of low value and short term leases	13	(71)	(200)
Tax refund received		97	86
Interest paid		-	(20)
<b>Net cash used in operating activities</b>	<b>8</b>	<b>(4,506)</b>	<b>(2,472)</b>
<b>Cash flows from investing activities</b>			
Purchases of property, plant, and equipment		(1,655)	(2,133)
Additions to intangible assets		(2,173)	(2,998)
Settlement/(purchase) of financial instruments		207	133
Interest received		304	171
<b>Net cash used in investing activities</b>		<b>(3,317)</b>	<b>(4,827)</b>
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liabilities	13	(343)	(227)
<b>Net cash (used in)/from financing activities</b>		<b>(343)</b>	<b>(227)</b>
<b>Net (reduction)/increase in cash and cash equivalents</b>		<b>(8,166)</b>	<b>(7,526)</b>
Cash and cash equivalents at 1 April		18,048	24,354
Effect of exchange rate fluctuations on cash held		360	1,220
<b>Cash and cash equivalents</b>		<b>10,242</b>	<b>18,048</b>

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 1. Reporting Entity

ikeGPS Group Limited is a limited liability company domiciled and incorporated in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ('NZX') and Australian Securities Exchange ('ASX'). It is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The consolidated financial statements for the year ended 31 March 2024 comprise ikeGPS Group Limited and its subsidiaries (together referred to as the 'Group'), which comprises of ikeGPS Limited ('ikeGPS Ltd') and ikeGPS Incorporated ('ikeGPS Inc').

The principal activity of the Group is that of design, sale, and delivery of a solution for the collection, analysis, and management of distribution assets for electric utilities and communications companies.

The consolidated financial statements were authorised for issue by the Directors on 30 May 2024.

## 2. Basis of preparation

The consolidated financial statements for the year ended 31 March 2024 have been prepared in accordance with the requirements of the Companies Act 1993 and Financial Reporting Act 2013.

The consolidated financial statements of the Group have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ('NZ GAAP'). The Group is a for-profit entity for the purposes of complying with NZ GAAP. The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS'), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The consolidated financial statements comply with International Financial Reporting Standards ('IFRS').

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities that have been measured in accordance with the specific relevant accounting policy.

All amounts are shown exclusive of Goods and Services Tax ('GST') and other indirect taxes, except for trade receivables and trade payables that are stated inclusive of GST and Sales Taxes.

### Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

### New and amended standard and interpretations

There are no new standards or interpretations material to the Group to be applied during the year. The Group does not anticipate adopting any standards prior to their effective date. There are no standards or amendments that have been issued but not yet effective that are expected to have a material impact on the Group.

## 3. Material accounting policies

Material accounting policies, accounting estimates, and judgments that summarise the measurement basis used and are relevant to the understanding of the financial statements are provided throughout the accompanying notes.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 3. Material accounting policies (continued)

The material judgments and estimates used in preparation of the consolidated financial statements are outlined below.

### Going concern

The considered view of the Board Directors is that the going concern assumption is valid. This view has been reached after making due enquiry and having regard to the circumstances that the Directors consider will occur and those that are reasonably likely to affect the Group during the period of one year from the date these consolidated financial statements are approved.

The Group recorded a net loss of NZ\$15.0M for the year ended 31 March 2024 (2023: NZ\$7.9M) and is expected to make further losses in the following financial year.

Notwithstanding the above, the Group has prepared cash flow forecasts and sensitivity analyses that indicate cash-on-hand of \$10.2M as at 31 March 2024, combined with forecasted cash flows, will enable the Group to fully meet its obligations as they fall due, and continue operating as a going concern for at least twelve months from the date of authorising these consolidated financial statements.

### Impairment

The carrying amounts of the Group's assets were reviewed to determine whether there is any indication of impairment and if so tested, or tested regardless in the case of indefinite life intangible assets. The Directors identified the following cash generating units (CGUs):

- + CGU1 – IKE Core platform: intangible assets, property plant and equipment, capital work in progress, lease assets and working capital.
- + CGU2 – Spike: intangible assets and working capital.
- + CGU3 – IKE Structural: intangible assets, capital work in progress and working capital.
- + CGU4 – IKE Insight: intangible assets and capital work in progress.

The Directors concluded that with CGU1 constricting over the year, the overall operating losses associated with CGU1 are an indicator of impairment, requiring an estimate of the CGU1 recoverable amount.

CGU1 was determined to have a carrying value of \$5.2M. Future cash flows are forecasted based on a five-year business model for CGU1, which included a conservative average revenue growth rate of 17% and operating expenses reflecting the FY24 business plan.

The Group remains confident that although we saw a revenue reduction in FY24, we have seen a strong CAGR over the last 4 years for IKE and that revenues for CGU1 will continue to grow. This is based on the opportunity to both increase market share and become more entrenched with our current customer base.

The Group remains optimistic that the infrastructure market will continue to grow due to the significant multiyear investment programmes IKE's customers have in place. A pre-tax discount rate of 19.9% was used to establish the recoverable amount on a value in use basis. To determine terminal value, the Group applied a 2% growth rate.

Sensitivity analysis was performed on key assumptions for CGU1. An impairment would need to be considered if the average growth rate was 30% lower than forecasted.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 3. Material accounting policies (continued)

An indicator of impairment also existed in CGU2 due to the negative operating cashflows of the CGU during the year. However, CGU2 was determined to have a carrying value of \$0.2M as in the prior year the Directors impaired of the remaining intangible asset balance to zero. This leaves the remaining carrying value of the CGU as stock on hand which is expected to be fully realised over the coming years. This stock has been assessed to ensure the correct value and treatment under NZ IAS 2.

CGU3 was tested for impairment as the carrying value includes an intangible asset for the IKE PoleForeman product which was only capitalised and released in FY24. CGU3 was determined to have a carrying value of \$2.9M. A pre-tax discount rate of 19.9% was used to establish the recoverable amount on a value in use basis. To determine terminal value, the Group applied a 2% growth rate.

The Directors have determined that no impairment is required as CGU3's carrying value does not exceed its value in use.

Additionally, an indicator of impairment also existed in CGU4 due to the lower-than-expected revenue, requiring an estimate of the CGU4 recoverable amount.

CGU4 was determined to have a carrying value of \$7.8M including goodwill. CGU4 is a very early-stage business segment and technology asset that IKE acquired January 2021 and has continued to develop. Future cash flows are forecasted based on a five-year business model for CGU4, with the year one and two revenue forecasted to be \$0.3m and \$1.7m with an average revenue growth rate of 120% in years three to five with an average annual growth rate overall of 200% and operating expenses reflecting the FY24 business plan. A pre-tax discount rate of 33.7% was used to establish the recoverable amount on a value in use basis. In determining the terminal value, the Group applied a 2% growth rate.

The Directors believe that given the large desire for automation in the industry and the benefits of using artificial intelligence to complete pole analysis the CGU could outperform these estimates. During the prior year the first of several products to be released had successful proofs of concept and was able to be sold to a customer on a project basis.

With the successful recruitment of a new SVP of Product CGU4 has been focused in working towards delivering several products that in the coming year will be released to market as either a customer specific project or a value driven add-on to existing subscription products.

However, given the prior year's lower than expected revenue the Directors have taken a prudent approach to forecasting future revenues.

Based on this approach, the Directors have determined that no impairment of CGU4's intangible assets is required as the carrying amount does not exceeded the value in use calculation.

The forecasted financial information for all CGUs is based on both historical experience and future expectations of operating performance and requires judgements to be made as to revenue growth, operating cost projections, and the market environment. It is sensitive to changes in each of the assumptions outlined above and actual results may be substantially different.

### Foreign currencies

Items included in the consolidated financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment that the entity operates ("the functional currency").

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 3. Material accounting policies (continued)

The functional currency of ikeGPS Ltd is New Zealand dollars. The functional currency of ikeGPS Inc is United States dollars. These consolidated financial statements are presented in New Zealand dollars, which is the Group's presentational currency.

The financial performance and position of ikeGPS Inc are translated into the presentation currency as follows:

- + assets and liabilities are translated at the closing rate at reporting date;
- + income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- + all resulting exchange differences are recognised in other comprehensive income.

### Foreign currency transactions and balances

Foreign currency transactions are initially translated to functional currencies at the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the revaluation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in the foreign currency translation accounting policy and accumulated in a separate reserve within equity. If the net investment is to be disposed of, the cumulative amount would be reclassified to the consolidated statement of profit or loss.

## 4. Operating segments

The CEO is assessed to be the Chief Operating Decision Maker (CODM) who regularly reviews financial information by product and gross margin. Reporting of overheads and the financial position is not undertaken at a level lower than the Group as a whole. Geographically, revenue is substantially generated in the United States of America.

The Group derives its revenue from:

### Platform Transactions:

- + IKE Analyze revenue by providing an end-to-end technical solution for customers; IKE captures and analyses pole loading and make-ready engineering assessments, or customers capture pole data and transact on the platform,
- + transactional revenue by analysing pole data through an artificial intelligence and machine learning platform.

### Platform Subscriptions:

- + the IKE Platform solution where customers use the functionality of IKE Office and if applicable the IKE Device,

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 4. Operating segments (continued)

- + pole loading software licences and ongoing subscriptions for maintenance and support.

### Hardware and other services:

- + IKE Device and Spike device sales, and related accessories,
- + Other services including training and deployment.

The segment information provided to the CEO and Board of Directors for the year ended 31 March 2024 was as follows:

	Group 2024 NZ\$'000	Group 2023 NZ\$'000
<b>Platform Transactions</b>		
IKE Analyze revenue	7,325	18,664
IKE Insight revenue	16	-
Cost of sales	(5,589)	(11,492)
<b>Gross profit</b>	<b>1,752</b>	<b>7,172</b>
<b>Platform Subscriptions</b>		
Platform as a Service revenue	3,776	3,464
Pole Loading software licenses and subscription revenue	1,736	1,846
Subscription revenue	5,200	3,519
Cost of sales	(1,494)	(1,103)
<b>Gross profit</b>	<b>9,218</b>	<b>7,726</b>
<b>Hardware and other services</b>		
Hardware and accessories revenue	2,247	2,850
Other service revenue	804	446
Cost of sales	(1,341)	(1,849)
<b>Gross profit</b>	<b>1,710</b>	<b>1,447</b>
<b>Total Operating Revenue</b>	<b>21,104</b>	<b>30,789</b>
<b>Total Cost of Sales</b>	<b>(8,424)</b>	<b>(14,444)</b>
<b>Total Gross profit</b>	<b>12,680</b>	<b>16,345</b>
Sales & marketing costs	(10,201)	(8,112)
Other corporate income and expenses	(17,524)	(16,112)
<b>Net loss before tax</b>	<b>(15,045)</b>	<b>(7,879)</b>

## 5. Revenue

The Group derives its revenue from the sale of products and related services, subscription revenue, software licenses, providing access to hardware and the software platform, and technical pole data analysis. Revenue is recognised when performance obligations have been satisfied, which is when control of the good or service associated with the performance obligation has been transferred to the customer.

Revenue is recognised using a five-step model to account for revenue arising from contracts with customers. Under NZ IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 5. Revenue (continued)

The standard requires entities to exercise judgement, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers. The five-step model for recognising revenue from contracts with customers requires consideration of the following steps:

- + Identifying the contract
- + Identifying the individual performance obligations within the contract
- + Determining the transaction price
- + Allocating the transaction price to distinct performance obligations
- + Recognising revenue

The table below provides the key judgements made on the application of NZ IFRS 15 across each revenue type with standardised terms and conditions. The Group has applied a practical expedient permitted by the standard; therefore, no significant financing component exists on deferred income.

Revenue Type	Description	Key Judgements	Outcome	Timing of revenue recognition
IKE device solution	This is marketed to the utility and communications market as an all-in-one streamlined solution from data capture on the IKE device, preconfigured with the IKE Field Android mobile application, through to measurement and analysis on IKE Office - a cloud-based software platform.	Management has determined the individual performance obligations of the contract. The total contractual price is allocated to each performance obligation using the stand-alone selling price.	Management has determined that the IKE Device and subscription to IKE Office are distinct performance obligations of the IKE Solution. IKE has used the stand-alone selling price to allocate the contractual price.	<p><b>Point in time</b></p> <p>The IKE device is recognised at the point in time when the device is sent to the customer.</p> <p><b>Over time</b></p> <p>IKE Office is recognised over the term of the subscription contract.</p>
Subscription	Customers are required to renew software subscriptions to allow continued access to the IKE Office online cloud functionality and the ability to customise and add new forms onto the IKE device.	Determining when the performance obligation is fulfilled.	Customers use IKE Office to store and analyse data, customise, and add new forms. Along with integration capability these performance obligations can be described as 'stand ready' services which can be recognised over time.	<p><b>Over time</b></p> <p>Subscription software recognised over time.</p>
Services	Service revenue is made up of training, deployment, and device repair revenue.	Determining when the performance obligation is delivered.	Revenue is recognised when the service is performed for the customer. For example, when the training is performed.	<p><b>Point in time</b></p> <p>Service revenue is recognised when the service is delivered.</p>
IKE Platform as a Service / subscription revenue	Customers subscribe to the Platform to access both an IKE device and the functionality of IKE Office. This subscription enables customers to go out in the field and collect data via our online platform, where IKE or the customer can then perform analysis.	The subscription is in two parts; 1. The lease of the IKE device under NZ IFRS 16 (there is no right of substitution therefore not considered an operating lease), 2. The subscription to IKE Office. This requires management to allocate the contract price to each performance obligation and determine when each performance obligation is fulfilled	<p>Management has determined the contract price allocated to the lease and subscription portion of the platform subscription is on the same basis as the IKE solution discussed above.</p> <p>The performance obligations for the subscription portion of the IKE Platform are consistent with the above subscription treatment.</p>	<p><b>Point in time</b></p> <p>The lease of the IKE device is recognised at a point in time in accordance with NZ IFRS 16.</p> <p><b>Over time</b></p> <p>IKE Office is recognised over the term of the contract.</p>



# Notes to the consolidated financial statements for the year ended 31 March 2024

## 5. Revenue (continued)

Revenue Type	Description	Key Judgements	Outcome	Timing of revenue recognition
IKE Analyze	Providing either an end-to-end technical solution for customers; IKE captures and analyses pole loading and make-ready engineering assessments, or customers capture pole data and transact on our platform.	Determining when each performance obligation is fulfilled.	Either the customer uploads or analyses the data in IKE Office, or IKE performs the analysis and completes requested reports per the scoping document. Once the activity is complete the Group will recognise the revenue.	<b>Point in time</b> Each transaction (completed record) is recognised when the performance obligation has been completed.
IKE PoleForeman subscription revenue	Customers subscribe to access the functionality of IKE PoleForeman. This subscription enables customers to utilize the platform to complete their pole loading analysis, build structural models, and achieve NESC compliance	Determining when the performance obligation is fulfilled.	The performance obligations for the subscription are consistent with the above subscription treatment.	<b>Over time</b> IKE Poleforeman is recognised over the term of the contract.
IKE Structural pole loading software license	IKE sells a license of its pole loading software to customers.	Management has determined the individual performance obligations of the contract. The total contractual price is allocated to each performance obligation using the stand-alone selling price.	Management has determined that the perpetual license and first year of maintenance and support are separate performance obligations. IKE has used the stand-alone selling price to allocate the contractual price.	<b>Point in time</b> The software license is recognised at the point in time when it is transferred. <b>Over time</b> The subscription is recognised over the first year.
IKE Structural pole loading maintenance and support subscription	Ongoing software support, maintenance, and software updates through an annual subscription.	Determining when each performance obligation is fulfilled.	Customers use the maintenance and support to have the latest pole loading software and calculations available. These performance obligations occur at any time during the subscription period.	<b>Over time</b> Pole loading software maintenance and support subscriptions are recognised over time.
IKE Insight revenue	IKE Insight revenue is derived from our IKE Insight artificial intelligence and machine learning platform processing pole data and delivering an agreed output to the customer.	Determining when each performance obligation is fulfilled. Once customer data is collected it is uploaded onto the IKE Insight platform where analysis is completed based on the statement of work agreed.	The business is required to perform certain analysis as per the scoping document for each customer. Once the activity is complete, the Group will recognise the revenue.	<b>Point in time</b> Each transaction (completed record) is recognised when the performance obligation has been completed.
Spike device	ikeGPS sells Spike devices through direct orders and online software.	No major judgement required.	N/A	<b>Point in time</b> Recognised when the device is received by the customer.

Consideration received prior to the service being provided is recognised as deferred income (and commission paid prior to the related contract performance is similarly deferred) on the consolidated statement of financial position.

Other operating revenue includes consulting, device repairs, and training revenue. Revenue is recognised when the services are performed.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 5. Revenue (continued)

Revenue	2024	2023
	NZ\$'000	NZ\$'000
Sale of products (Point in time)	2,246	2,850
Platform-as-a-Service (Over time and Point in time)	3,776	3,464
IKE Analyze (Point in time)	7,325	18,664
IKE Insight (Point in time)	16	
IKE Subscription (Over time)	5,200	3,519
IKE PoleForeman Subscriptions (Over time)	333	-
IKE Structural licences (Over time and Point in time)	1,404	1,846
Services (Point in time)	804	446
<b>Total operating revenue</b>	<b>21,104</b>	<b>30,789</b>
Government grants	426	192
Other income	1	95
<b>Total other income</b>	<b>427</b>	<b>287</b>
Fair value movement on other liabilities	-	2,261
Fair value movement on financial instruments	23	313
<b>Total movement of fair value assets and liabilities</b>	<b>23</b>	<b>2,574</b>

In the current year, cash was received as government grants under New Zealand Trade and Enterprise International Growth Fund, and the research and development tax credit incentive scheme, relating to FY23 research and development costs.

In the current year, no customer contributed over 10% of revenue (2023: one customer contributed over 32% of revenue).

Reconciliation of deferred income balances	2024	2023
	NZ\$'000	NZ\$'000
Opening deferred income balance	4,911	3,681
Subscription revenue recognised	(2,734)	(1,860)
Platform-as-a-Service recognised	(1,557)	(1,178)
IKE Structural maintenance and support	(537)	(524)
Unsatisfied performance obligations for the current year	11,147	4,792
<b>Closing deferred income balance</b>	<b>11,230</b>	<b>4,911</b>
Current Deferred Revenue	7,403	4,728
Non-Current Deferred Revenue	3,827	183
<b>Total Deferred Revenue</b>	<b>11,230</b>	<b>4,911</b>

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 6. Expenses

Operating expenses consist of operating, sales, marketing, engineering, research, and corporate costs.

		2024	2023
		NZ\$'000	NZ\$'000
Audit of consolidated financial statements		211	189
<b>Total fees paid to auditor</b>		<b>211</b>	<b>189</b>
Amortisation of development asset	12	2,558	2,235
Depreciation		540	920
<b>Total amortisation and depreciation <sup>1</sup></b>		<b>3,098</b>	<b>3,155</b>
Employee benefit expense		17,219	15,808
Share-based payment		860	1,174
External contractors and consultants		1,924	2,041
Employee benefit expense capitalised <sup>2</sup>		(1,940)	(2,998)
Operating lease expenses <sup>3</sup>		226	215
Direct selling and marketing <sup>4</sup>		3,580	2,615
Sales tax expense/(expense reversal)	24	41	(8)
Impairment of assets		-	3,030
Credit loss provision movement and write-off expense		506	(17)
Other operating expenses <sup>5</sup>		2,975	2,782
<b>Total operating expenses</b>		<b>28,700</b>	<b>27,986</b>

1. Total depreciation for the year is \$1,872k (2023: \$1,358k), comprised of depreciation on fixed assets of \$1,550k (2023: \$1,143k) as per note 11 and depreciation on leased assets of \$322k (2023: \$215k) as per note 13. Engineering and research expenses included all the \$2,558k of amortisation (2023: \$1,716k) and \$54k of depreciation on fixed assets (2023: \$7k). Corporate costs included all the \$322k of depreciation on leased assets under NZ IFRS 16 (2023: \$215k). The balance of depreciation totalling to \$1,332k (2023: \$959k) is included in cost of sales.
2. Relates to employee benefit expense, external contractors and consultants' expenses that are directly attributable to the development of intangible assets and have been capitalised.
3. Relates to short-term and low-value leases and common area maintenance costs.
4. Selling and marketing expenses included promotional activities, travel, commissions, and other direct marketing costs.
5. Other operating expenses include corporate advisory, travel, engineering, facilities, and IT costs.

### Employee benefits

Liabilities for wages, salaries, and short-term incentives (both settled and accrued), including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 6. Expenses (continued)

they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### Share-based payment

The Group operates an employee option scheme (equity-settled) under which employees receive the option to acquire shares at a predetermined exercise price. The options are measured at fair value at grant date using the Black Scholes model, with the fair value recognised as an employee benefit expense in the consolidated statement of profit or loss with a corresponding increase in equity. The total expense is recognised over the vesting period, being the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimate of the number of options that are expected to vest based on the service conditions. It recognises the impact of the revision to original estimates, if any, in the share-based payment reserve with a corresponding change to the share-based compensation reserve in equity.

In addition, the Group provides share-based payments to employees related to business combinations. The employees are required to satisfy service conditions and an expense is recognised over the service period. The rewards are considered equity-settled and recognised as an employee benefit expense and an increase to either share capital or the share-based compensation reserve.

### Finance income and expenses

Interest income is recognised as it accrues, using the effective interest method. Finance expenses comprise interest expense on lease liabilities, recognised using the effective interest method.

## 7. Current and deferred tax

The current income tax charge is calculated based on the tax laws enacted, or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and laws that have been enacted, or substantively enacted, by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the consolidated financial statements as follows:

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 7. Current and deferred tax (continued)

	2024 NZ\$'000	2023 NZ\$'000
Net loss before income tax	(15,045)	(7,879)
Prima facie income tax credit at 28%	(4,213)	(2,207)
Effect of different foreign income tax rates	634	100
Non-deductible expenses	2,160	2,694
Deferred tax on temporary differences	478	170
Unrecorded tax losses	941	(749)
<b>Income tax expense</b>	<b>-</b>	<b>8</b>

  

	2024 NZ\$'000	2023 NZ\$'000
Deferred tax opening balance	-	-
<b>Temporary differences</b>		
Employee entitlements and provisions	54	1
Deferred research and development	191	-
Leases	(3)	-
Accruals	-	-
Property, plant, and equipment	368	(5)
Intangible assets	(728)	11
Other	117	(7)
Tax losses	1	-
<b>Deferred tax closing balance</b>	<b>-</b>	<b>-</b>

Deferred tax assets on deductible temporary differences have been recognised to the extent taxable temporary differences exist in the same tax jurisdiction. No deferred tax asset is recognised in excess of the available taxable temporary differences, due to the uncertainty of when the unused tax losses can be utilised.

Unrecognised deferred tax assets related to deductible temporary differences total \$4,776,347 (2023: \$3,684,964).

ikeGPS Group Limited has unrecognised tax losses of \$16,290,471 (2023: \$17,884,787) available for use against future taxable profits, subject to the New Zealand Tax Legislation requirements being met. ikeGPS Inc has unrecognised tax losses of \$51,180,652 (2023: \$42,490,094), of which \$7,917,482 is available indefinitely for use against future taxable profits and \$43,263,170 available to be carried forward up to 20 years from the date the tax loss was created.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 8. Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

	2024	2023
	NZ\$'000	NZ\$'000
Cash at bank	10,242	18,048
<b>Total</b>	<b>10,242</b>	<b>18,048</b>

An overdraft facility of NZ\$250,000 is in place with the BNZ, which has security interest over all property of ikeGPS Limited. On the BNZ facility, there is an outstanding guarantee to another party of \$75,000.

Reconciliation of operating cash flows:

	2024	2023
	NZ\$'000	NZ\$'000
<b>Loss for the year</b>	<b>(15,045)</b>	<b>(7,886)</b>
Less Investment interest received	(304)	(171)
<b>Add non-cash items included in net loss</b>		
Depreciation	1,872	1,358
Amortisation of intangible assets	2,558	2,235
Asset impairment	-	3,030
Raw materials and finished goods write-off	171	242
Trade receivables write-off	490	-
Tax Expense	-	8
Share-based payment expense	860	1,232
Write-off of obsolete materials and assets	166	54
Movement of fair value assets and liabilities	(23)	(2,544)
Interest on Leases	105	-
Foreign exchange losses on translation movement	(300)	(1,250)
	<b>5,899</b>	<b>4,365</b>
<b>Add/(less) movement in working capital items</b>		
(Increase)/decrease in trade and other receivables	(199)	(253)
(Increase)/decrease in inventories	482	(1,696)
(Increase)/decrease in prepayments	137	487
(Increase)/decrease in contract costs	(383)	(105)
Increase/(decrease) in trade and other payables	(1,113)	528
Increase/(decrease) in provision	25	222
Increase/(decrease) in other liabilities	(273)	157
Increase/(decrease) in deferred income	5,984	1,230
Increase/(decrease) in employee entitlements	284	650
	<b>4,944</b>	<b>1,220</b>
<b>Net cash used in operating activities</b>	<b>(4,506)</b>	<b>(2,472)</b>

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 9. Trade and other receivables

Trade and other receivables arise when the Group provides cash, goods, and services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after reporting date that are classified as non-current assets.

The Group assesses impairment on a forward-looking basis, the expected credit loss associated with its financial assets is carried at amortised cost. The Group will assess if there has been a significant increase in credit risk by assessing market conditions, forward looking estimates, and previous financial history of counterparts.

The Group applies the simplified approach permitted by NZ IFRS 9 for trade receivables, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The expected credit losses on these financial assets are assessed using a provision matrix, adjusted for factors that are specific to the receivables including customers' historical credit loss experience, individual customer characteristics, customer market segment, and the economic environment.

The Group writes off a financial asset when there is information indicating default or delinquency in payments, the probability that they will enter bankruptcy, liquidation or other financial reorganisation, and there is no real prospect of recovery.

	2024 NZ\$'000	2023 NZ\$'000
Trade receivables	5,319	4,975
Impairment provision	(593)	(88)
GST receivable	137	143
Other receivables	251	182
<b>Total trade and other receivables</b>	<b>5,114</b>	<b>5,212</b>

## 10. Inventory

Inventory is measured at the lower of cost and net realisable value. The cost of inventory is based on a weighted average cost, and includes expenditure incurred in acquiring the inventory and bringing it to its existing location and condition. Cost comprises direct materials, direct labour, and production overhead. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Inventory is treated as non-current if it is not expected to be sold within twelve months of reporting date.

	2024 NZ\$'000	2023 NZ\$'000
Finished goods	485	764
Components	1,585	1,946
<b>Total inventory</b>	<b>2,070</b>	<b>2,710</b>
Current	1,865	2,472
Non-current	205	238

During the year, IKE materials have been written down by \$6,774 (2023: \$nil) and Spike finished goods by \$9,364 (2023: \$53,824).

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 11. Property, plant, and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Office furniture and equipment	20% - 33%
Plant and equipment	20% - 50%
IKE rental devices	30%
Leasehold improvement	Over the period of the lease

Depreciation methods, useful lives, and residual values are reviewed and adjusted, if appropriate, at each reporting date. Gain and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the consolidated statement of profit or loss.

IKE rental devices increased in FY24, in line with the increase in 'Platform as a Service' revenue (see note 5).

	Plant and equipment NZ\$'000	IKE rental devices NZ\$'000	Office furniture and equipment NZ\$'000	Leasehold Improvements NZ\$'000	Total NZ\$'000
<b>Cost</b>					
Balance at 1 April 2022	1,305	2,048	923	-	4,276
Additions	57	1,754	322	-	2,133
Disposals	-	(282)	(9)	-	(291)
Exchange differences	-	240	108	-	348
<b>Balance at 31 March 2023</b>	<b>1,362</b>	<b>3,760</b>	<b>1,344</b>	<b>-</b>	<b>6,466</b>
Balance at 1 April 2023	1,362	3,760	1,344	-	6,466
Additions	-	1,388	171	126	1,685
Disposals	-	(342)	(277)	-	(619)
Exchange differences	-	165	57	-	222
<b>Balance at 31 March 2024</b>	<b>1,362</b>	<b>4,971</b>	<b>1,295</b>	<b>126</b>	<b>7,754</b>
<b>Depreciation</b>					
Balance at 1 April 2022	1,238	653	582	-	2,473
Depreciation for the year	22	879	242	-	1,143
Disposals	-	(99)	(2)	-	(101)
Exchange differences	-	77	76	-	153
<b>Balance at 31 March 2023</b>	<b>1,260</b>	<b>1,510</b>	<b>898</b>	<b>-</b>	<b>3,668</b>
Balance at 1 April 2023	1,260	1,510	898	-	3,668
Depreciation for the year	30	1,261	273	14	1,578
Disposals	-	(190)	(265)	-	(455)
Exchange differences	-	66	40	-	106
<b>Balance at 31 March 2024</b>	<b>1,290</b>	<b>2,647</b>	<b>946</b>	<b>14</b>	<b>4,897</b>
<b>Carrying amounts</b>					
At 31 March 2023	102	2,250	446	-	2,798
<b>At 31 March 2024</b>	<b>72</b>	<b>2,324</b>	<b>349</b>	<b>112</b>	<b>2,857</b>



# Notes to the consolidated financial statements for the year ended 31 March 2024

## 12. Intangible assets

### Capitalised development costs

The Group capitalises employee and consultants' costs directly related to development of an intangible asset. The carrying values of capitalised development costs are annually evaluated for indicators of impairment. Management has reviewed the expected remaining useful life of these assets and concluded that they are appropriately amortised over periods of 4 to 10 years.

Following a review in the prior year of the useful life of the development assets of the IKE Structural CGU directors have determined that the useful life of the current in-service assets have reduced, giving a remaining useful life of 1 year. The assets in development and not yet available for use are unaffected by this change.

Development costs that are directly attributable to the design and testing of identifiable and unique software controlled by the Group are recognised as intangible assets when the following criteria are met:

- + it is technically feasible to complete the software product so that it will be available for use,
- + management intends to complete the software product and use or sell it,
- + there is an ability to use or sell the software product,
- + it can be demonstrated how the software product will generate probable future economic benefits,
- + adequate technical, financial, and other resources to complete the development and to use or sell the software product are available, and
- + the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

All research costs are recognised as an expense when they are incurred.

### Other intangible assets

Separately purchased intangible assets (i.e. software) were recognised at cost, plus any initial directly attributable costs. They are subsequently measured at cost less accumulated amortisation and impairment. Purchased software has a useful life ranging from 4 to 10 years.

Software, customer contracts, relationships, trademarks, and training material acquired through business combinations were initially recognised at fair value. They are subsequently measured at initial recognition value less accumulated amortisation and impairment and have a useful life ranging from 2 to 10 years.

### Goodwill

Goodwill is carried at cost less accumulated impairment losses and is annually tested for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Goodwill is allocated to CGU4 for the purpose of impairment testing (see note 3 Impairment), as this CGU is expected to benefit from the business combination in which the goodwill arose.

### Impairment of non-financial assets

Intangible assets under development are not subject to amortisation and are annually tested for impairment within CGU1, CGU3 and CGU4, or more frequently if events or changes in circumstances indicate that they might be impaired. The carrying amount of the Group's other non- financial assets are reviewed at each reporting date

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 12. Intangible assets (continued)

to determine whether there is any indication of impairment or objective evidence of impairment. If any such indication exists, the assets recoverable amount is estimated.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments for the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than the carrying amount, the carrying amount is reduced to its recoverable amount.

An impairment loss is recognised in profit or loss immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit or loss immediately.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 12. Intangible assets (continued)

	Development assets NZ\$'000	Work in Progress NZ\$'000	Patents NZ\$'000	Goodwill NZ\$'000	Customer contracts, relationships, trademarks NZ\$'000	Training materials NZ\$'000	Total NZ\$'000
<b>Cost</b>							
Balance at 1 April 2022	18,241	1,674	174	3,309	667	188	24,253
Additions	-	2,998	-	-	-	-	2,998
Transfers	1,787	(1,787)	-	-	-	-	-
Expensed	-	(68)	-	-	-	-	(68)
Exchange differences	1,036	118	-	380	79	22	1,635
<b>Balance at 31 March 2023</b>	<b>21,064</b>	<b>2,935</b>	<b>174</b>	<b>3,689</b>	<b>746</b>	<b>210</b>	<b>28,818</b>
Balance at 1 April 2023	21,064	2,935	174	3,689	746	210	28,818
Additions	-	2,273	-	-	266	-	2,539
Transfers	2,806	(2,806)	-	-	-	-	-
Expensed	(5)	(329)	-	-	-	-	(334)
Exchange differences	612	(10)	-	151	35	9	797
<b>Balance at 31 March 2024</b>	<b>24,477</b>	<b>2,063</b>	<b>174</b>	<b>3,840</b>	<b>1,047</b>	<b>219</b>	<b>31,820</b>
<b>Amortisation and impairment losses</b>							
Balance at 1 April 2022	9,677	-	174	-	219	48	10,118
Amortisation for the year	2,086	-	-	-	128	21	2,235
Impairment	61	-	-	2,969	-	-	3,030
Exchange differences	299	-	-	-	26	6	331
<b>Balance at 31 March 2023</b>	<b>12,123</b>	<b>-</b>	<b>174</b>	<b>2,969</b>	<b>373</b>	<b>75</b>	<b>15,714</b>
Balance at 1 April 2023	12,123	-	174	2,969	373	75	15,714
Amortisation for the year	2,342	-	-	-	178	71	2,591
Impairment	-	-	-	-	-	-	-
Exchange differences	272	-	-	130	26	2	430
<b>Balance at 31 March 2024</b>	<b>14,737</b>	<b>-</b>	<b>174</b>	<b>3,099</b>	<b>577</b>	<b>148</b>	<b>18,735</b>
<b>Carrying amounts</b>							
At 31 March 2023	8,941	2,935	-	720	373	135	13,104
<b>At 31 March 2024</b>	<b>9,740</b>	<b>2,063</b>	<b>-</b>	<b>741</b>	<b>470</b>	<b>71</b>	<b>13,085</b>

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 13. Leases

Lease assets are contracts that convey the right to use office space in both Colorado and Wellington. They were initially recognised at the present value of the lease payments unpaid at inception. Subsequently, they are recorded at cost less accumulated depreciation and impairment, adjusted for remeasurement of the lease liability to reflect modifications.

The corresponding lease liability to the lessor is included on the consolidated statement of financial position as a lease liability. Lease payments are apportioned between finance charges and a reduction in the lease liability. The finance charges and depreciation of the lease asset are charged to the consolidated statement of profit or loss. Lease liabilities are measured at the present value of the remaining lease payments. The Group's 'incremental borrowing rate' used in the discounting for the Colorado lease liability was 7.75% and the Wellington Lease was 9%.

The leases run for a period ranging from 3 to 5 years with an option to renew. The renewal period for the Wellington lease was taken into account, as management is reasonably certain that this will be renewed. The Colorado lease renewal was not taken into account.

The Group applied the exemption for low-value assets on the lease of the photocopier and the exemption for short-term leases on the office space rented in Alabama. Therefore, the lease payments were recognised as an expense on a straight-line basis over the lease term.

Lease liabilities	2024 NZ\$'000	2023 NZ\$'000
Balance at 1 April	14	232
Additions during the year	1,520	-
Payments made	(293)	(227)
Interest charges	106	7
Derecognition of lease liability	(14)	-
Exchange differences	-	2
<b>Balance at 31 March</b>	<b>1,333</b>	<b>14</b>

The maturity of the lease liabilities is as follows:	2024 NZ\$'000	2023 NZ\$'000
Less than one year	324	14
Greater than one year	1,009	-
<b>Lease liabilities recognised as at 31 March</b>	<b>1,333</b>	<b>14</b>

Lease assets	2024 NZ\$'000	2023 NZ\$'000
Balance at 1 April	12	210
Additions during the year	1,560	-
Depreciation charges	(314)	(215)
Derecognition of lease assets	(13)	-
Exchange differences	-	17
<b>Balance at 31 March</b>	<b>1,245</b>	<b>12</b>

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 13. Leases (continued)

The following leases are exempt from the application of NZ IFRS 16 and have been recognised as an expense in the consolidated statement of profit and loss:

	2024 NZ\$'000	2023 NZ\$'000
Photocopier	6	4
Office space	65	196
	<b>71</b>	<b>200</b>

## 14. Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Otherwise, they are presented as non-current liabilities. They are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method.

	2024 NZ\$'000	2023 NZ\$'000
Trade payables	1,072	2,098
Other payables	33	-
Accrued expenses	121	186
<b>Total trade and other payables</b>	<b>1,226</b>	<b>2,284</b>

## 15. Other liabilities

Other liabilities are obligations from prior year business combinations and were initially recorded at fair value. Those that are deferred consideration are subsequently measured at amortised cost, and those liabilities that are the result of contingent consideration are subsequently measured at fair value through profit or loss.

	2024 NZ\$'000	2023 NZ\$'000
<b>Less than one year</b>		
Accrued liabilities for services	279	534
	<b>279</b>	<b>534</b>

### Accrued liabilities for services

The Group has employment agreements that result in cash payments being made to certain staff at the end of a service period. The expense is accrued as services are delivered and payment is made at the end of the service period. The liability was initially measured at fair value and subsequently measured at amortised cost.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 16. Financial instruments and financial risk management

### Financial instruments

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

They are trade and other receivables, trade and other payables, cash and cash equivalents, foreign exchange options, contract assets, employee entitlements, lease liabilities, and other liabilities. They are included in current assets and current liabilities, except for lease liabilities with payment terms greater than 12 months, which are included in non-current liabilities.

The Group classifies its financial assets and liabilities as 'measured at amortised cost' or 'fair value through profit or loss' at initial recognition.

The following table shows the Group's financial assets and liabilities and their classification:

Financial instrument	Classification
Cash and cash equivalents	Measured at amortised cost
Trade and other receivables and payables	Measured at amortised cost
Employee entitlements	Measured at amortised cost
Foreign exchange options	Fair value through profit or loss
Contract Assets	Measured at amortised cost
Lease liabilities	Measured at amortised cost
Other liabilities – Accrued Liabilities for service	Measured at amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial liabilities carried at amortised cost are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method. Interest expenses from these financial liabilities are included in finance expenses.

The fair value of financial instruments carried at amortised cost is not materially different from their stated carrying values.

Any gain or loss arising on derecognition of financial assets and liabilities is recognised directly in profit or loss and presented in other gains and losses. Impairment losses on financial assets are presented as separate line item in the consolidated statement of profit or loss.

Financial assets and liabilities recognised at fair value through profit or loss are originally and subsequently remeasured to fair value, with gains and losses being recognised in the consolidated statement of profit or loss.

The following table shows the designation of the Group's financial instruments:

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 16. Financial instruments and financial risk management (continued)

	2024			2023		
	Financial assets and liabilities at amortised cost NZ\$'000	Financial assets and liabilities at fair value NZ\$'000	Total carrying value NZ\$'000	Financial assets and liabilities at amortised cost NZ\$'000	Financial assets and liabilities at fair value NZ\$'000	Total carrying value NZ\$'000
<b>Financial assets</b>						
Cash and cash equivalents	10,242	-	10,242	18,048	-	18,048
Trade and other receivables	4,977	-	4,977	5,069	-	5,069
Foreign exchange options	-	10	10	-	193	193
<b>Total financial assets</b>	<b>15,219</b>	<b>10</b>	<b>15,229</b>	<b>23,117</b>	<b>193</b>	<b>23,310</b>
<b>Financial liabilities</b>						
Employee entitlements	1,664	-	1,664	1,326	-	1,326
Trade payables	1,072	-	1,072	2,098	-	2,098
Other payables	33	-	33	-	-	-
Accrued expenses	121	-	121	186	-	186
Lease liabilities	1,333	-	1,333	14	-	14
Other liabilities	279	-	279	534	-	534
<b>Total financial liabilities</b>	<b>4,502</b>	<b>-</b>	<b>4,502</b>	<b>4,158</b>	<b>-</b>	<b>4,158</b>

### Financial risk factors

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risks, which arise in the normal course of the Group's business. The Group uses different methods to measure and manage different types of risks to which it is exposed. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

### Credit risk

The Group's exposure to credit risk arises from potential default of a counterparty, with a maximum exposure equal to the carrying amount of these instruments. Financial instruments that potentially subject the Group to credit risk principally consist of cash and cash equivalents, trade and other receivables, and the foreign exchange options. All cash and cash equivalents are held with high credit quality counterparties, being trading banks with at least an 'AA-' credit rating in New Zealand, and a Moody's 'A2' rating in the USA.

The Group does not require collateral or security from its trade receivables, it performs credit checks, ageing analyses, and monitors specific credit allowances. The Group does not anticipate any material non-performance by customers. The total impaired trade receivables as at reporting date is \$509,793 (2023: \$87,691).

At reporting date, 82% (2023: 75%) of the Group's cash and cash equivalents were with one bank.

Maximum exposure to credit risk at reporting date:	2024	2023
	NZ\$'000	NZ\$'000
Cash at bank	10,242	18,048
Trade and other receivables	4,977	5,069
Foreign exchange options	10	193
<b>Total</b>	<b>15,229</b>	<b>23,310</b>

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 16. Financial instruments and financial risk management (continued)

### Liquidity risk

Liquidity risk is the risk that the Group cannot pay contractual liabilities as they fall due. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, taking into consideration the Group's forward financing plans. Management believes that the Group has sufficient liquidity to meet its obligations as they fall due for the next 12 months.

The following table sets out the undiscounted cash flows for all financial liabilities of the Group:

	2024					
	Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	3+ Years	No stated maturity
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Employee entitlements	1,664	-	-	-	-	1,664
Trade payables	1,072	1,072	-	-	-	-
Other payables	33	33	-	-	-	-
Accrued expenses	121	121	-	-	-	-
Lease liabilities	1,633	212	213	649	559	-
Other liabilities	279	279	-	-	-	-
<b>Total financial liabilities</b>	<b>4,802</b>	<b>1,717</b>	<b>213</b>	<b>649</b>	<b>559</b>	<b>1,664</b>

	2023					
	Contractual cash flows	6 months or less	6 months to 1 year	1 to 2 years	3+ Years	No stated maturity
	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000	NZ\$'000
Employee entitlements	1,326	-	-	-	-	1,326
Trade payables	2,098	2,098	-	-	-	-
Other payables	-	-	-	-	-	-
Accrued expenses	186	186	-	-	-	-
Lease liabilities	14	14	-	-	-	-
Other liabilities	534	534	-	-	-	-
<b>Total financial liabilities</b>	<b>4,158</b>	<b>2,832</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,326</b>

### Foreign currency risk management

The Group is exposed to foreign currency risk on its revenue and a significant portion of its expenses that are denominated in USD, which is different to the Group's presentational and parent's functional currency NZD. Additionally, the institutional placement and share purchase plan completed previous years was predominantly in AUD, creating additional foreign currency risk exposure. Therefore, the Group has purchased AUD/USD foreign exchange options to mitigate the risk on its AUD cash holdings.

If the NZD strengthened / weakened against the USD or AUD by 10% at 31 March 2024, the pre-tax loss would have been (higher) / lower as follows:



# Notes to the consolidated financial statements for the year ended 31 March 2024

## 16. Financial instruments and financial risk management (continued)

	Carrying amount in USD US\$'000	Carrying amount in AUD AU\$'000	Carrying amount in USD US\$'000	Carrying amount in AUD AU\$'000
Cash and cash equivalents	3,812	3,417	5,321	5,615
Trade and other receivables	3,038	-	3,147	-
Trade and other payables	(505)	12	(882)	(9)
	<b>6,345</b>	<b>3,429</b>	<b>7,586</b>	<b>5,606</b>

Sensitivity analysis	Carrying amount US\$'000	Change in USD rate %	Effect on loss before tax NZ\$'000
2024	6,345	10%	(965)
		-10%	1,179
2023	7,586	10%	(989)
		-10%	1,208

	Carrying amount AU\$'000	Change in AUD rate %	Effect on loss before tax NZ\$'000
2024	3,429	10%	(340)
		-10%	416
2023	5,606	10%	(549)
		-10%	671

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 16. Financial instruments and financial risk management (continued)

### Interest rate risk management

The Group's interest rate risk arises from its cash balances. The Group currently has no significant exposure to interest rate risk other than in relation to the amount held at the bank. A reasonably expected movement in the prevailing interest rate would not materially affect the Group's consolidated financial statements.

### 17. Fair value estimation

The Group measures certain assets and liabilities at fair value either at initial recognition and/or continually. To determine these fair values, valuation techniques are utilised.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has identified what level of input is utilised in the valuation in the note for each asset or liability. An explanation of each level is below.

Level 1: The fair value of assets/liabilities traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of assets/liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the asset/liability is included in level 3.

## 18. Contributed equity.

Share capital	2024	2023
	NZ\$'000	NZ\$'000
On issue at the beginning of the year	105,118	104,751
Exercise of share options	57	27
Issued as part of business combinations	201	340
Issue of share capital from share based payment	166	-
<b>Total share capital</b>	<b>105,542</b>	<b>105,118</b>
Shares on issue	2024	2023
Fully paid total shares at the beginning of the year	159,731,745	159,296,738
Ordinary shares issued on settlement of options	28,241	9,811
Ordinary shares issued as part of business combinations	264,352	425,196
Issue of share capital from share based payment	218,637	-
<b>Fully paid ordinary shares</b>	<b>160,242,975</b>	<b>159,731,745</b>

The share capital of the Group consists of fully paid ordinary shares with no-par value attached. Authorised shares that have not been issued have been authorised for the Group's employee share options and other contractual share-based payments (see Note 21)

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 19. Basic and diluted earnings per share

The Group presents earnings per share ('EPS') data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2024	2023
Total loss for the year attributable to the owners of the parent (NZ\$'000)	(15,045)	(7,886)
Ordinary shares issued	160,242,975	159,731,745
Weighted average number of shares issued	160,056,203	159,559,589
Basic loss per share	\$ (0.09)	\$ (0.05)

The potential shares and options are anti-dilutive in nature due to the Group being in a loss position. The diluted loss per share is therefore the same as the undiluted EPS at (\$0.09) and (\$0.05) for the respective period.

## 20. Capital management

The capital structure of the Group consists of equity raised by the issuance of ordinary shares. The Group manages its capital to ensure it can continue as a going concern and is not subject to any externally imposed capital requirements.

The Group's aim is to have a sufficient capital base to maintain investor and creditor confidence and to sustain future development of the business. Capital requirements are regularly reviewed by the Board of Directors.

There have been no material changes in the Group's management of capital from the previous year.

## 21. Share-based payments reserve

The share-based payments reserve is used to recognise both the fair value of options issued to employees but not exercised and contractual share payments to be made to employees based on the period of employment.

	2024 NZ\$'000	2023 NZ\$'000
<b>Share-based payment reserve</b>		
Share options	3,790	3,344
Contractual share-based payments	111	355
<b>Total</b>	<b>3,901</b>	<b>3,699</b>

The contractual share-based payments are in relation to employees who have service conditions, which when completed grant the right to shares. These arrangements arose from prior business combinations.

The Group has no legal or constructive obligation to settle the shares in cash and has no history of choosing to settle these payments in cash. As such, these awards are treated as equity settled share-based payments.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 21. Share-based payments reserve (continued)

The Group determined the value of shares issued under contractual share-based payments based on the agreed share price at the time of grant. This price is fixed.

A total of 264,352 shares at a value of \$200,908 were issued during the period for services rendered (2023: 425,196 shares at value of \$339,875).

Share options were granted to directors and selected employees to retain, reward, and motivate such individuals to contribute to the growth and profitability of the Group.

Options outstanding at 31 March 2024 have a contractual life from grant date of between 4 and 6 years. Options can be exercised at any time after vesting and unexercised options expire at the end of the contract or if the employee leaves the Group. The Group has no legal or constructive obligation to repurchase or settle the options in cash. Any share to be issued on the exercise of the option will be issued on the same terms and will rank equally in all respects with the ordinary shares in the company on issue.

Movements in the number of share options outstanding and their related average exercise prices are as follows:

	2024		2023	
	Average exercise price	Number of options '000's	Average exercise price	Number of options '000's
At 1 April	\$0.79	7,886	\$0.80	5,834
Granted	\$0.79	2,755	\$0.78	2,487
Exercised	\$0.71	(155)	\$0.59	(80)
Forfeited	\$0.84	(341)	\$0.84	(127)
Lapsed	\$0.84	(290)	0.94	(228)
Expired	nil	nil	nil	nil
	<b>\$0.77</b>	<b>9,855</b>	<b>\$0.79</b>	<b>7,886</b>

Out of the 9,855,000 outstanding options 7,105,812 (2023: 5,087,593) had vested and were exercisable at 31 March 2024.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 21. Share-based payments reserve (continued)

### Options outstanding

Share options outstanding at the end of the year have the following expiry date and exercise price:

Year Granted	Expiry date	Exercise price	Number of options	2024	Number of options	2023
				Term remaining (years)		Term remaining (years)
2020	31-Mar-25	\$0.51	1,140,000	1	1,190,000	2
2021	31-Dec-24	\$0.90	300,000	0.75	300,000	1.76
2021	30-Jun-25	\$0.75	1,000,000	1.25	1,000,000	2.25
2022	30-Jun-25	\$0.75	325,000	1.25	365,000	2.25
2022	30-Jun-26	\$1.06	2,074,000	2.25	2,494,000	3.25
2022	30-Sep-26	\$1.06	150,000	2.5	150,000	3.5
2023	31-Jul-27	\$0.78	2,193,000	3.34	2,387,000	4.34
2024	31-Jul-28	\$0.79	2,473,000	4.34		
2024	30-Nov-28	\$0.63	200,000	4.67		

### Measurement of fair value

The Company determined the fair value of options issued using the Black Scholes valuation model. The significant inputs to the model were level 3 inputs and were:

	2024	2023
Fair value of options issued in the year	\$0.27	\$0.41
Weighted average share price	\$0.78	\$0.83
Exercise price	\$0.79, \$0.63	\$0.78
Volatility	42%	50%
Dividend yield	Nil	nil
Risk free interest rate	4.62%	3.27%

See note 17 for details of the fair value hierarchy.

## 22. Related Parties

ikeGPS Limited and ikeGPS Incorporated are 100% owned by ikeGPS Group Limited (2023: 100%). All subsidiaries have 31 March reporting dates.

Name of entity	Country of incorporation	Principal activity	2024	2023
			NZ\$	NZ\$
ikeGPS Limited	New Zealand	Product development and business operations	1,000	1,000
ikeGPS Incorporated	USA	Product development and business operations	1,000	1,000
			<b>2,000</b>	<b>2,000</b>

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 22. Related Parties (continued)

Key management are identified as the Chief Executive Officer, Chief Financial Officer, and Board Directors.

	2024 NZ\$'000	2023 NZ\$'000
Short term benefits to Board Directors and senior management	2,108	1,947
Share-based payment expense Board Directors and senior management	376	459

The Group issued 1,087,367 of unlisted share options at NZD\$0.79 to Key Management during the period in accordance with the ikeGPS Group Limited Employee Share Scheme (2023: 864,000 at NZD\$0.78).

In addition to the unlisted options issued, 53,188 options were exercised by key management or Board Directors resulting in the issue of 20,297 shares (2023: Nil options were exercised).

As part of the director's remuneration package 43,289 shares were issued at NZD\$0.79.

## 23. Commitments

	2024 NZ\$'000	2023 NZ\$'000
<b>Non-cancellable short-term and low-value leases or lease related costs</b>		
Less than one year	3	11
Between one and five years	2	5
<b>Total</b>	<b>5</b>	<b>16</b>

Operating leases are in relation to rented premises (short-term under one year) and photocopiers (low-value assets). These exclude leases accounted for under IFRS 16.

# Notes to the consolidated financial statements for the year ended 31 March 2024

## 24. Provisions

2024	Corporate Tax NZ\$'000	Sales Tax NZ\$'000	Total NZ\$'000
Opening balance	262	-	262
Provision Added	-	-	-
Provision Used	-	-	-
Provision estimate reversed	-	-	-
Foreign exchange movement	10	-	10
<b>Closing balance</b>	<b>272</b>	<b>-</b>	<b>272</b>

  

2023	Corporate Tax NZ\$'000	Sales Tax NZ\$'000	Total NZ\$'000
Opening balance	-	40	40
Provision Added	262	-	262
Provision Used	-	(8)	(8)
Provision estimate reversed	-	(32)	(32)
Foreign exchange movement	-	-	-
<b>Closing balance</b>	<b>262</b>	<b>-</b>	<b>262</b>

### Sales Tax

The primary market for sales of the Group's products or services is the USA and sales tax obligations can arise where IKE is deemed to have sales tax nexus.

Previously, the Group identified that customer sales tax was payable in multiple States and a best estimate of the liability was provided for in the FY21 consolidated financial statements. The Group completed the process of voluntary disclosure and remitted the sales tax owed to the respective States.

### Corporate Tax

The Group has identified a potential tax obligation linked to a series of intercompany transactions.

As the transactions have occurred the Group considers it to be more likely than not the obligation exists.

## 25. Subsequent events

On 1<sup>st</sup> May 2024 Rick Christie resigned as a director of ikeGPS

## ikeGPS Group Limited

Level 2, 79 Boulcott Street  
Wellington, 6011  
Telephone: +64 4 382 8064

## Directors of ikeGPS Group Limited

Alex Knowles  
Frederick Lax  
Roz Buick  
Mark Ratcliffe  
Glenn Milnes

## Legal Advisers

Chapman Tripp  
10 Customhouse Quay  
PO Box 993  
Wellington, 6140  
Telephone: +64 4 499 5999

## Auditor

Grant Thornton  
Level 15, Grant Thornton House  
215 Lambton Quay  
PO Box 10712  
Wellington 6143

## Share Registrar

Link Market Services Limited  
PO Box 91976, Auckland 1142  
Level 30 PWC Tower  
15 Customs Street West, Auckland 1010  
Telephone: +64 9 375 5998

## Bankers

Bank of New Zealand  
20-54 Mount Wellington Highway  
Mount Wellington, Auckland 1060  
Private Bag 39806,  
Wellington Mail Centre,  
Lower Hutt 5045

[www.ikegps.com](http://www.ikegps.com)