

Chairman's review

For the Year Ended 31 March 2017

Dear Shareholder

Welcome to the 2017 Annual Report for Plexure Group Limited.

Overview

Plexure offers a next generation CRM solution that enables retailers to engage with consumers in real time using connected devices and sensors. It is an enterprise scale solution that improves the customer experience and optimises retail revenues.

Performance Highlights

For the year ended 31 March 2017, total revenue grew 10% over the same period last year, to \$7.3m. During the same period, operating revenue grew 31% to \$7.0m reflecting the growth in the underlying business.

In December 2015, Plexure provided guidance to the market that it would reach \$10m of Annualised Committed Monthly Revenue (ACMR) by 30 September 2016. The Company missed this guidance as planned McDonald's deployments were delayed as McDonald's undertook a major internal restructure, which included the appointment of a new CEO. After these initial delays, McDonald's deployments resumed at the originally forecast pace and we announced the achievement of our \$10m ACMR target in December 2016. The \$10m ACMR figure also included new contract signings with Samsung Corporation of Korea and IKEA in the Kingdom of Saudi Arabia.

As at the date of this Annual Report, ACMR stands at \$7.7m, the reduction from December 2016 attributable to McDonald's turning off some Plexure platform functionality in the US and a trial implementation with Compass Group coming to an end.

Total costs decreased year on year by 1% to \$11.8m. Within this, our Azure spend and associated IT costs increased year-on-year by \$1.1m, or 58%. This was driven by increased customer usage. As we secure new customers and existing customers increase usage of our platform, then we consume more cloud services, thus, an increase in Azure costs is consistent with our expectations. We continue to monitor Azure usage very closely and have an ongoing technical programme to improve the efficiency of our Azure consumption.

The increase in IT costs was substantially offset by reductions in most other categories including wages and staff costs, travel and professional services.

Cost management will remain a focus of attention for the Company's leadership team and further cost reductions are expected to be made in the first half of the 2017/18 fiscal year as part of the Company's strategy to accelerate its path to profitability.

The net loss for the year ended 31 March 2017 was \$6.5m, which is 2% less than the previous year.

	2017	2016	Change	Change
	\$'000s	\$'000s	\$'000s	%
Total revenue	7,281	6,642	639	10
Operating revenue	7,044	5,368	1,676	31
Net loss after tax	(6,491)	(6,649)	158	(2)
Annualised Committed Monthly Revenue ¹	7,738	5,404	2,334	43
Staff (FTE's)	55	52	3	6
Cash at bank ²	615	2,637	(2,022)	(77)

¹ As at 30 June 2017



² A customer paid \$US750,000 on 12 April 2017

Chairman's review

For the Year Ended 31 March 2017

Re-branding

In July 2016, VMob was re-branded as Plexure. VMob had long been a pioneer in connected device technology, helping businesses use live and historical data to provide their customers with relevant offers in real-time and ultimately drive sales and repeat visits.

As the Company continues to expand the breadth of its engagements to include new Internet of Things (IoT) devices, in-bar screens, radio-frequency ID tags, in-store beacons, Wi-Fi, voice and facial recognition, and more, we found the name VMob to be too limiting. It no longer represented the true depth and breadth of our functionality or our ability to help clients interact with their customers through a myriad of contact points. The Company needed a brand name that could carry this promise forward with longevity and meaning.

Thus, the decision was made to re-brand the Company to Plexure. Derived from the Latin word plexus, meaning "the art of weaving together," the name reflects our ability to weave together multiple digital channels to provide a tailored, comprehensive approach to customer engagement. It also conveys our renewed mission – to optimise transactions in the real world for businesses with physical locations.

The Microsoft go-to-market marketing funding was used to finance the re-branding exercise.

Growth

As we discussed in our Half Year Results Announcement, revenue growth during the year was slower than anticipated. We have invested heavily in our relationship with McDonald's and when McDonald's re-structured its business in 2016, several IT projects were put on hold and this affected our ability to meet sales targets.

Following its re-structure, McDonald's accelerated its deployment of our technology platform across many countries. Deployments have occurred in 11 new markets and by the end of 2017, these are expected to have grown to approximately 40. Overall, the growth projected from McDonald's globally is strong but we do expect some revenue churn as some McDonald's markets activate and de-activate features within our platform to meet specific regional requirements.

We continue to execute our "land and expand" strategy where we scale up business with an existing customer but in new geographic markets. This strategy has a faster sales cycle and lower cost of acquisition as we can demonstrate success within an existing customer. The approach has been very successful with McDonald's where we secured their business in the Netherlands, Sweden and Japan and then entered into a global Master Services Agreement with McDonald's Corporation in the US. The global agreement means Plexure can be deployed within weeks with rapid on-boarding of each new market.

After a successful pilot in Europe with IKEA Sweden, we have secured a deployment into IKEA in the Kingdom of Saudi Arabia for the same solution offering. The Company is now focusing its efforts on scaling its IKEA business in the same way it has scaled into McDonald's. Similarly, the success of the 7-Eleven Fuel Lock app in Australia is catalysing discussions with 7-Eleven markets globally to take the same solution with its proven ROI and capability.

New customer opportunities continue to come from channel partners such as Microsoft and GE Current. These are typically well qualified, which means that our sales personnel can focus on a smaller number of high quality leads.

The Company is currently working with a digital signage manufacturer to integrate our software into the content management system that drives that manufacturer's digital signage hardware. This pilot is ongoing but early signs of commercial success are promising and could lead to larger opportunities for commercial collaboration.



For the Year Ended 31 March 2017

Microsoft Relationship

The Company's relationship with Microsoft remains very strong and the two companies continue to collaborate productively in the pursuit of sales opportunities in the US. Our solution is now available in the Microsoft AppSource Marketplace and Microsoft has a dedicated retail industry sales team. Sales personnel are located globally and incentivised to sell "approved" industry solutions. Plexure is one of only a handful of approved industry solutions globally, meaning greater focus by Microsoft sales people on our solution.

In 2015, the Company entered into a collaboration agreement under the terms of which Microsoft provided additional marketing support over and above its standard contribution. The initial term of this agreement was for one year but as the funds were not all used during 2015/16, the balance was rolled into 2016/17. During the second year, the balance of this funding was used. Microsoft still provides Plexure with significant go-to-market support including events and conference assistance and sales support.

During the year, Microsoft increased its Azure prices by 22% although this did not impact the price the Company paid in the 2016/17 fiscal year as its purchase pricing was locked in until year-end. From April 2017, the Company's IT costs will reflect Microsoft's higher pricing.

GE Current Relationship

The Company signed a Commercial Partnership Agreement with GE Current in June 2016. This allows GE Current to resell the Plexure solution to its customers.

GE Current provides advanced energy technologies such as intelligent LED lighting that can identify and locate customers in a retail store. The addition of these sensor and control technologies enables LED lighting to become an all-sensing network compiling data and adding analytics and insights required to drive additional productivity and efficiency. Plexure's solution integrates with the GE Current platform to provide customers with unique analytics around customer location in store, dwell time and traffic flows.

Use of ACMR Going Forward

Going forward, we will be placing less emphasis on ACMR as a measure for the business. This decision is based on the changing composition of our revenue.

MRR, ARR and ACMR are metrics used by Software as a Service companies that licence online software on a subscription basis (where recurring monthly revenue is a key indicator). Xero (NZX: XRO) is a good example of such a company. Xero does not provide professional services related to the use of its software - the end users' financial advisers and IT partners provide these professional

Plexure's increasing focus on large enterprise customers has led to a growing demand for professional services along with its platform technology. The largest enterprises routinely prefer to purchase tailored solutions, integrated these into their existing enterprise architecture – requiring a combination of software plus expertise delivered in the form of value-added services.

Plexure is now generating more revenue from non-recurring professional services projects, in addition to its recurring subscriptions. Hence our decreasing emphasis on the ACMR measure. The Company is now very focused on the generation of profitable revenue, which is a combination of recurring licence revenue, recurring support fees and professional services.



Chairman's review

For the Year Ended 31 March 2017

Awards

In November 2016, the Company was placed second on Deloitte's New Zealand Fast 50 index of growth businesses. In December 2016, on the back of this New Zealand index award, Plexure was ranked number 35 on the Deloitte 2016 Asia Pacific Technology Fast 500, an annual ranking of the fastest growing Asia Pacific companies in the software and hardware technology, clean technology, media, communications and life sciences sectors. The Company grew revenues 1,197% during the last three-year period.

In November 2016, Plexure was announced as the winner of GE Current's Partner Innovation Award at the Minds and Machines Event in San Francisco.

Leadership and Governance Changes

During the financial year, we welcomed Andrew Dalziel as CFO, replacing Stephen Davies. Andrew had previously worked for Plexure in an Acting CFO role and comes with a background of experience of technology businesses and public markets. Andrew joins the core New Zealand management team of Scott Bradley, David Inggs and Bob Drummond who have all been with the Company since its inception, and Jen Millard in the US.

In December 2016, Mike Carden resigned as a Director and a decision was made not to bring on a new Director at that point in time. This decision will be re-visited during the forthcoming year. The Board currently consists of three independent Directors being Phil Norman, Tim Cook and Sharon Hunter along with Scott Bradley our CEO and Founder.

During the year, Ross Jenkins acted as an advisor to the Board. Ross is an experienced and highly regarded SaaS industry executive and assisted the Company with its capital markets strategy. This advisory service has now come to an end.

Capital and Capital Markets

During the financial year, the Company raised \$3.7m of new capital via private placements and \$1.6m of debt through a convertible note, taking the total capital raised during the year to \$5.3m. The move to utilise convertible notes was made based on market conditions at the time, specifically the failure of Wynyard.

As a growth company, we continue to require continued capital to fuel that growth. As we noted in our Preliminary Results Announcement, we are looking to raise additional capital and will be seeking \$2.0m by way of a private placement to eligible investors. This raising should satisfy the Company's operational capital requirements for the forthcoming year with separate conversations taking place around the convertible note that the Company currently has in place.

As previously disclosed, we are continuing to engage in discussions with prospective US-based strategic investors. Our US based external advisor continues to assist us in evaluating appropriate potential US investors, and our strategic options. This process is broad ranging and the Company may discuss, and potentially pursue, investment proposals that extend beyond issuance of new capital, including strategic alliances or the acquisition of all or part of Plexure's existing share capital.



Chairman's review

For the Year Ended 31 March 2017

Outlook

The Company continues to attract significant international attention for its end-to-end personalisation and data analytics platform. Its IoT capability is a major point of differentiation from competitors and this capability is now driving interest in the Company from new market players.

The platform is now processing massive numbers of transactions across several geographies and we have a strong partnership with Microsoft and a new relationship with two hardware manufacturers that look very promising. While revenue growth in 2016/17 has been slower than we would have preferred, we expect this to accelerate again in the next twelve months as our penetration of existing customers deepens and new customers are acquired.

The Directors remain confident about the future prospects for the Company and in the year ahead will focus on revenue growth, cost reduction and near-term profitability.

Finally, I would like to express the appreciation of our Board of Directors for the ongoing support of our shareholders and the untiring efforts of our talented staff.

Phil Norman Chairman

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30 June 2017



Directors' Responsibility Statement

For the Year Ended 31 March 2017

The objective of the Group is to enhance shareholder value. The Board considers there is a strong link between good corporate governance policies and practices and the achievement of this objective.

The directors are responsible for reviewing and maintaining the corporate governance principles of the Group and consider that they do not materially differ from the principles set out in the NZX Corporate Governance Best Practice Code, which the Board has implemented.

Board of Directors

The business and affairs of the Group are managed directly by the Board of Directors. In particular the Board:

- establishes the long term goals of the Group and strategic plans to achieve those goals;
- reviews and adopts the annual budgets for the financial performance of the Group and monitors results on a monthly basis;
- ensures preparation of the annual and half-yearly financial statements;
- manages risk by ensuring that the Group has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and
- works with management to create shareholder value.

The Board consists of three non-executive directors and one executive director. Phil Norman, Tim Cook and Sharon Hunter are non-executive directors. Scott Bradley is the Chief Executive Officer of the Company, in addition to his role as an Executive Director. Mike Carden resigned as a director on the 23rd December 2016.

The Board meets at least monthly on a formally scheduled basis. All available information relating to items to be discussed at a meeting of the Board is provided to each non-conflicted director prior to that meeting.

One third, or the whole number nearest one third, of the directors retire by rotation at each Annual Meeting. The directors to retire are those who have been longest in office since the last election. Directors retiring by rotation may, if eligible, stand for re-election. A director appointed since the previous Annual Meeting holds office only until the next Annual Meeting but is eligible for re-election at that meeting. Phil Norman will retire and offer himself for re-election at the next Annual Meeting.

Each director has the right to seek independent legal and other professional advice, at the Group's expense with the prior approval of the chairman, concerning any aspect of the Group's operations or undertakings to assist in fulfilling their duties and responsibilities as directors.

The Board has three standing committees, namely audit, remuneration, and nomination. Other committees are formed for specific purposes and disbanded as required.

Audit Committee

The current members of the committee are Tim Cook (Chairman), Phil Norman and Sharon Hunter.

The audit committee provides a forum for the effective communication between the Board and external auditors. The committee reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of internal control and management information systems and the efficiency and effectiveness of the audit function.

The committee generally invites the Group's Chief Financial Officer and the auditors to attend audit committee meetings. The committee also meets with and receives regular reports from the auditors concerning any matters that arise in connection with the performance of their role, including the adequacy of internal controls.



Directors' Responsibility Statement

For the Year Ended 31 March 2017

Remuneration Committee

The current members of the committee are Phil Norman (Chairman) and Tim Cook.

The Remuneration Committee is responsible for overseeing management succession planning, establishing employee incentive schemes, reviewing and approving the compensation arrangements for the Executive Director and senior management.

The packages of the employees and contractors of the Company and its subsidiaries, which consist of base salary and incentive schemes (including performance-related bonuses) are reviewed with due regard to performance and other relevant factors.

Nomination Committee

The Board as a whole undertakes the role of nomination committee given the small size of the Board. The Board reviews the composition of the Board annually to ensure that the Board comprises a majority of non-executive directors, with an appropriate mix of skills and expertise.

The terms and conditions of the appointment of directors are set out in a formal letter of appointment that deals with the following matters:

- duration of appointment; role of the Board; timing and location of Board meetings, and expected time commitment; remuneration including timing of reviews; committee involvement; Board and individual evaluation processes;
- outside interests including other directorships; dealing in Company shares; and
- induction and development processes; access to independent professional advice; availability of liability insurance; and the confidentiality of Group information.

Code of Ethics

As part of the Board's commitment to the highest standards of behaviour and accountability, the Group adopts a code of ethics to guide executives, management and employees in carrying out their duties and responsibilities. The code covers such matters as:

- · Conduct;
- Conflicts of interest;
- Confidentiality:
- Use of assets and information;
- Gifts and giving of gifts;
- Corporate opportunities; and
- Corporate social responsibility.

An interests' register is maintained for the Group in which the particulars of certain transactions and matters involving the directors must be recorded. The interests' register is available for inspection at the Group's registered office. When a director has declared an interest in a particular entity, as a shareholder or director, the declaration serves as notice that the director may benefit from any transaction between the Company and the identified entity.

The Board has adopted a specific policy for directors, senior staff and other insiders for trading in the Company's securities. Compliance with this policy is actively managed and a director must declare to the Board any interest in a transaction with the Company, any relationship that might compromise his or her ability to act independently from management and any conflicts of interest that are potentially detrimental to the Group. While a director has inside information on the Group he or she must not trade in, or advise others to trade in, the securities of the Company.



Directors' Responsibility Statement

For the Year Ended 31 March 2017

Diversity Policy

The Company does not have a formal diversity policy. However it recognises the wide-ranging benefits that diversity brings to an organization and its workplaces. Plexure endeavours to ensure diversity at all levels of the organisation to ensure a balance of skills and perspectives are available in the service of our shareholders and customers.

As at 31 March 2017, the gender balance of the Company's directors, officers and all employees and contractors was as follows:

	Directors	Officers	Employees & contractors
Female	1	1	14
Male	3	4	41
Total	4	5	55

The Directors of Plexure Group Limited are pleased to present to shareholders the financial statements for Plexure Group for the year ended 31 March 2017.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which give a true and fair view of the financial position of the Group as at 31 March 2017 and the results of its operations and cash flows for the year ended on that date.

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

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Financial 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 a reasonable assurance as to the integrity and reliability of the financial statements.

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

Phil Norman Chairman

Dated: 30 June 2017

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Scott Bradley Director

Dated: 30 June 2017





To the Shareholders of Plexure Group Limited

Opinion

We have audited the consolidated financial statements of Plexure Group Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2017, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements, on pages 14 to 41, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2017, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').

Basis for opinion

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

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

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

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

Material uncertainty related relating to going concern

We draw attention to Note 2(a)(i) in the consolidated financial statements, which indicates that the Group incurred a net loss after tax of \$6.5m during the financial year and incurred net cash outlflow from operations for the financial year of \$4.7m. Further, the Group is dependent on its ability to raise sufficient cash through the issuance of further share capital. This dependency including those events or conditions set forth in Note 2(a)(i) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

Audit materiality

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

We determined materiality for the consolidated financial statements as a whole to be \$320,000.

Key audit matters

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





Key audit matter

How our audit addressed the key audit matter and results

Revenue recognition

The Group's primary revenue arises from Software as a Service ('SaaS') agreements which totalled \$7.04 million for the year to 31 March 2017 as outlined in Note 3.

The service agreements contain multiple elements such as license revenue, deployment and integration revenue, consulting fees and support fees. The revenue recognition for each of these different elements differ based on when the relevant service has been delivered to the customer and is normally after the revenue has been billed. This requires the Group to identify the value of the individual services being provided and allocate the revenue received across those services in the correct period to which the service relates (in accordance with NZ IAS 18 Revenue ('NZ IAS 18')).

We have included the recognition of revenue as a key audit matter due to the significance of revenue to the measurement of the performance of the Group and judgement made in determining which period the services are delivered.

We obtained an understanding of the Group's process for recording revenue arising from SaaS agreements and performed walk through procedures of the Group's processes for each significant class of revenue.

We selected and read a sample of SaaS agreements and evaluated the appropriateness of management's recognition of revenue arising from such agreements by:

- assessing the salient contractual terms in the agreements for conditions that impact the timing of revenue recognition and in turn the completeness of deferred revenue;
- ensuring revenue recognised during the year is supported by signed service agreements;
- assessing the appropriate allocation of the fair value of the consideration to the identified service delivery components; and
- evaluating evidence of relevant service delivery to customers and therefore supporting revenue being recognised in the current period.

Intangible assets – internally developed software

As a SaaS provider the Group incurs significant expenditure in developing, maintaining and upgrading software.

The Group has to exercise judgement in determining which costs associated with the software meet the criteria for capitalisation (as described in Note 2(c)) including whether the software will generate probable future economic benefits and be subsequently amortised under NZ IAS 38 Intangible Assets ('NZ IAS 38') rather than being expensed as incurred.

Intangible assets relating to software had a carrying value of \$5.4m at 31 March 2017, and there were additions of \$2.4m in the period to 31 March 2017 as outlined in Note 15.

The Group must also assess each period whether there are any indications that the development assets may be impaired and must perform impairment testing on any capitalised development costs for which there are indicators of impairment. In the current period the Group has assessed the internally developed software assets and determined that impairment testing was not required.

For internally developed software, we have included the assessment of the capitalisation criteria, the assessment of whether the software will generate probable future economic benefits and indicators of impairment as a key audit matter due to the level of judgement involved. We assessed the Group's policy for determining whether software costs should be capitalised or expensed against the relevant accounting standards and performed a walk through to confirm our understanding of the Group's policy.

We selected a sample of the additions to intangible assets during the year and evaluated whether these additions were appropriately capitalised.

This was achieved by:

- comparing the selected samples to relevant supporting documentation (such as supplier invoices, and employee records); and
- evaluating whether the capitalisation of software meets the recognition criteria of the relevant accounting standards and Group's policy.

We obtained the Group's assessment for indicators of impairment and evaluated the Group's assessment against our understanding of the business, its environment and our knowledge of the Group and its industry.



Deloitte.Independent Auditor's Report

Other information

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

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

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

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

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

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

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

 $\frac{https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1}{}$

This description forms part of our auditor's report.

Restriction on use

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

Andrew Boivin, Partner for Deloitte Limited Auckland, New Zealand 30 June 2017

Deloitte Limited

Statement of Comprehensive Income For the Year Ended 31 March 2017

	Notes	2017 \$'000	2016 \$'000
Revenues			
Operating revenue	3	7,044	5,368
Other income	4	237	1,274
Total revenue & other income		7,281	6,642
Expenses			
Wages & staff costs	5&9	(5,350)	(6,018)
Contractors		(720)	(408)
Travel costs		(703)	(1,097)
Office costs	9	(504)	(529)
Professional costs	6	(396)	(924)
Board fees		(178)	(182)
Marketing		(678)	(647)
IT costs	7	(2,928)	(1,847)
Other expenses	8	(279)	(196)
Depreciation	14	(121)	(118)
Amortisation	15	(1,813)	(1,270)
Operating expenses		(13,670)	(13,235)
Gain on derivative liability	18	89	-
Interest expense on derivatives	18	(69)	-
Financing expenses		20	-
Net loss before tax		(6,369)	(6,592)
Income tax expense	10(a)	(122)	(57)
Net loss after tax for the year attributable to the shareholders of the company		(6,491)	(6,649)
Other comprehensive income			
Exchange difference on translating foreign operations		9	42
Total comprehensive loss for the year attributable to		(6,482)	(6,607)
the shareholders of the company		(0, 102)	(3,557)
Earnings per share			
Basic (loss) per share (cents)	21	(7.1)	(9.4)
Diluted (loss) per share (cents)	21	(7.1)	(9.4)
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Calculated on a weighted average basis of the number of shares on issue.

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



Consolidated Statement of Changes in Equity For the year ended March 2017

	Notes	Share Capital \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payment Reserve \$'000	Accumulated Losses	Total Equity \$'000
Balance at 1 April 2015		13,179	14	880	(9,163)	4,910
Net loss after tax		-	-	-	(6,649)	6,649
Exchange differences arising on translating foreign operations		-	42	-	-	42
Total comprehensive loss	•	-	42		(6,649)	6,607
Transactions with owners					(, ,	,
Issue of share capital	20	8,244	-	-	-	8,244
Share based payments		21	_	(21)	_	_
transfer on exercise Recognition of share				(= ·)		
based payments		-	-	111	-	111
Share based payments on expired options		-	-	-	-	-
Balance at 31 March 2016		21,444	56	970	(15,812)	6,658
Building at 01 Mai on 2010	•	21,777			(10,012)	
Balance at 1 April 2016		21,444	56	970	(15,812)	6,658
Net loss after tax		-	-	-	(6,491)	(6,491)
Exchange differences arising on translating foreign operations		-	9	-	-	9
Total comprehensive loss	•	-	9		(6,491)	(6,482)
Transactions with owners					(, ,	(, ,
Issue of share capital	20	3,508	-	-	-	3,508
Share based payments transfer on exercise		-	-	-	-	-
Recognition of share based payments	20	-	-	250	-	250
Share based payments on expired options	20			(142)		(142)
Balance at 31 March 2017	• -	24,952	65	1,078	(22,303)	3,792
	-					

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



Consolidated Statement of Financial Position

As at 31 March 2017

	Notes	2017	2016
Asset		\$'000	\$'000
Current assets			
Cash and cash equivalents	11	C4.F	2.027
Trade and other receivables	11	615	2,637
Trade and other receivables	12 _	1,885	1,073
Less current liabilities	-	2,500	3,710
	40	4.570	4 40 4
Trade and other payables Deferred revenue	16	1,570	1,484
	17	1,149	551
Income tax payable	10(b)	82	39
Convertible notes	18	1,419	-
Derivative liability	18	161	-
Other liabilities	19	10_	10
	<u>-</u>	4,391	2,084
Working capital	_	(1,891)	1,626
Non-current assets			
Property, plant & equipment	14	220	306
Intangible assets	15	5,394	4,770
Deferred tax	10(d)	86	-
	· · · <u>-</u>	5,700	5,076
Non-current liabilities	=		
Deferred revenue	17	-	17
Other liabilities	19	17	27
	-	17	44
Total net assets		3,792	6,658
Equity			
Share capital	20(a)	24,952	21,444
Share based payment reserve	20(b)	1,078	970
Accumulated losses	22(5)	(22,303)	(15,812)
Foreign currency translation reserve	20(c)	(22,505) 65	56
Total equity	20(0)	3,792	6,658
. Jan. Jan.	_	3,132	0,000

Signed on behalf of the Board by:

Phil Norman Chairman

Dated: 30 June 2017

Scott Bradley Director

Dated: 30 June 2017

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



Consolidated Statement of Cash Flows

For the year ended 31 March 2017

	Notes	2017 \$'000	2016 \$'000
Operating activities			
Cash was provided from (applied to):			
Receipts from customers		6,819	5,707
Marketing funding received		171	994
Grants received		-	153
Interest received		16	31
Payment to suppliers & employees		(11,511)	(11,357)
Income tax paid		(165)	(54)
Net cash outflow from operating activities	27 _	(4,670)	(4,526)
Investing activities			
Cash was provided from (applied to):			
Purchase of property, plant and equipment	14	(34)	(102)
Capitalised development costs	15 _	(2,437)	(2,968)
Net cash outflow from investing activities	_	(2,471)	(3,070)
Financing activities			
Cash was provided from (applied to):			
Issue of ordinary shares		3,671	8,475
Share capital raising costs		(161)	(231)
Convertible notes issued	18 _	1,600	-
Net cash inflow from financing activities	_	5,110	8,244
Net increase/(decrease) in cash held		(2,031)	648
Add cash and cash equivalents at start of year		2,637	1,946
Effect of foreign exchange rate changes on cash		9	43
Cash at bank at end of year	11	615	2,637
Comprised of:			
Cash and short term deposits	11	615	2,637

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



For the Year Ended 31 March 2017

1. Corporate Information

Corporate Information

The consolidated financial statements of Plexure Group Limited and its subsidiaries (collectively, the Group) for the year ended 31 March 2017 were authorised for issue in accordance with a resolution of the directors on 2017.

Plexure Group Limited ("the Company") is a limited company incorporated and domiciled in New Zealand, registered under the Companies Act 1993, and whose shares are publicly traded on the New Zealand Stock Exchange [NZX:PLX]. The registered office is located at Level 3, 104 Quay Street, Auckland, New Zealand.

On the 25th of July 2016 VMob Group Limited and VMob Limited changed their names to Plexure Group Limited and Plexure Limited. All other companies in the Group structure still retain the VMob name although trading as Plexure.

The principal activity of the Company is the development and deployment of cloud based marketing campaign management technologies. The principal activities of subsidiaries are disclosed in Note 13.

Statement of Compliance

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

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

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

2. Summary of Significant Accounting Policies

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

(a) Basis of Preparation

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

The consolidated financial statements have been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets. As noted in 2(c) the application of the going concern assumption is a key judgement. Refer below for further details.

(i) Going concern

For the year ended 31 March 2017, operating revenue grew 31% over the same period last year, to \$7,044,000. Given the Group still remains in the start-up phase of its operations and is investing for growth, it has recorded a net loss after tax of \$6,491,000 for the year ended 31 March 2017 (2016: \$6,649,000) with equity of \$3,792,000 as at 31 March 2017 (2016: \$6,658,000). As at 31 March 2017 the Group has cash and cash equivalents of \$615,000 (2016: \$2,637,000), and the net cash outflow from operating activities for the year ended 31 March 2017 was \$4,670,000 (2016: \$4,526,000), and the net cash outflow from investing activities was NZ\$2,471,000 (2016: \$3,070,000). The Group raised \$5,110,000 of funds during the year through a combination of equity and a convertible note.

The Group has prepared forecasts which indicate that cash on hand at year-end, combined with cash flow as a result of operations, as well as an issuance of new share capital subsequent to year-end will enable the Group to continue operating and satisfy its going concern requirements. The going concern assumption is dependent on raising sufficient cash through the issuance of further share capital. This dependency on a future capital raising creates a material uncertainty with respect to meeting the Group's cash requirements. Notwithstanding this dependency on raising further capital the Directors are confident that the Group remains a going concern and are confident of being able to raise further share capital from market feedback to date.



For the Year Ended 31 March 2017

(a) Basis of Preparation (continued)

(i) Going concern (continued)

Accordingly the Directors believe the going concern assumption is valid and have reached this conclusion having regard to the circumstances which they consider likely to affect the Group during the period of one year from the date these financials are approved, and to circumstances which they believe will occur after that date which could affect the validity of the going concern assumption.

If the Group was unable to continue in operational existence, and pay debts as and when they become due and payable, adjustments would have to be made to reflect the situation that assets may need to be realised and liabilities extinguished, other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet.

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

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

(b) Critical Judgements in Applying Accounting Policies

In the application of NZ IFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Key Sources of Estimation Uncertainty and Key Judgements

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

Key Sources of Estimation Uncertainty and key judgements include:

- The Group assesses each revenue contract to ensure that revenue is recognised based on the specific element to which it relates (ie training, licence, deployment, integration or support) in accordance with the contract and the appropriate accounting standard. A single contract may contain multiple elements with different recognition and measurement criteria.
- The application of the going concern assumption (refer Note 2(a)(i)).
- Determining whether the intangible assets to which the development expenditure relates meet the criteria for capitalization and if there are any indicators of impairment.

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

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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



For the Year Ended 31 March 2017

(d) Basis of Consolidation (continued)

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

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

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

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

(e) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is also exposed to credit risks.

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

(i) Provision of services

Revenue is recognised over the period in which the service is rendered by reference to the stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Such services include deployment and integration revenue, license revenue, support fees and consulting fees. Consideration received prior to the service being rendered is recognised in the consolidated statement of financial position as deferred revenue. Revenue for which services have been rendered but invoices have not been issued is recognised within the consolidated statement of financial position as accrued income and included within trade and other receivables.

(ii) Interest Revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Interest income is included in other income in the consolidated statement of comprehensive income.

(iii) Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants whose primary condition is that the Group should purchase, construct, or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Other government grants are recognised as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the profit or loss in the period they become receivable.



For the Year Ended 31 March 2017

(f) Taxation

Current Income Tax

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

Deferred Tax

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

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

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

Sales Tax

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

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

(g) Foreign Currencies

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

Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).



For the Year Ended 31 March 2017

(g) Foreign Currencies (continued)

Group companies

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

(h) Property, Plant and Equipment

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

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

CategoryEstimated useful lifeFixtures & Fittings2-14 yearsPlant & Equipment3 yearsLeasehold Improvements5 years

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

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

(i) Leases

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

Group as a lessee

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

(j) Intangible Assets

Capitalised Software Development Expenditure

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

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

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

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



For the Year Ended 31 March 2017

(j) Intangible Assets (continued)

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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

CategoryEstimated Useful LifeCore Platform5 yearsMobile Apps2 years

(k) Impairment of Non-Financial Assets

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

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

(I) Cash and Cash Equivalents

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

(m) Share Based Payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 29. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in equity, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.

(n) Financial Instruments

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

(o) Accounts Receivable

Accounts receivable are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.



For the Year Ended 31 March 2017

(p) Equity Instruments

Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

(q) Accounts Payable

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

(r) Employee Benefits

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

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

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

(s) Consolidated Statement of Cash Flows

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

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

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

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

(t) Convertible notes

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

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

(u) Derivative financial liability

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

Fair value has been determined in the manner described in Note 18.

(v) Adoption of New Revised Standards and Interpretations

The Group adopted all mandatory new and amended standards and interpretations. None of these standards and interpretations had a material impact on the financial statements.

There are a number of other new and revised standards and interpretations that are not effective yet. The following are particularly relevant for the Group:

NZ IFRS 9 Financial Instruments (effective for accounting periods beginning on or after 1 January 2018). This standard addresses the requirements for classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting. The standard is not expected to have a material impact on the Group financial statements. The Group will adopt the standard for the year ending 31 March 2019.



For the Year Ended 31 March 2017

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

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

This standard addresses recognition of revenue from contracts with customers and replaces the current revenue recognition guidance in IAS 18 Revenue. The Group is yet to assess NZ IFRS 15 for its full impact on the Group financial statements. The Group will adopt the standard for year ending 31 March 2019.

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

NZ IFRS 16, Leases, replaces the current guidance in NZ IAS 17. Under NZ IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under NZ IAS 17, a lessee was required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). NZ IFRS 16 now requires a lessee to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Included is an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The Group intends to adopt NZ IFRS 16 on its effective date and has yet to assess its full impact.

There were a number of other amendments to accounting standards as part of the ongoing improvement process. None of these changes is expected to have a significant impact on the Group.



For the Year Ended 31 March 2017

3. Operating revenue	2017 \$'000	2016 \$'000
License revenue	4,052	3,075
Deployment and integration revenue (i)	544	438
Consulting revenue	332	1,163
Support fees	2,073	627
Expenses reimbursed revenue	43	65
	7,044	5,368

(i) Deployment and integration revenue relates to fees earned to develop and deploy apps for certain customers and integrate those apps with the Plexure platform.

4. Other income	2017 \$'000	2016 \$'000
Interest received	16	31
Government grant income	50	203
Marketing funding	171	1,040
	237	1,274
5. Wages and staff costs	2017 \$'000	2016 \$'000
Salaries (less capitalised)		
NZ	2,659	3,114
Overseas	2,109	1,939
Benefits		
NZ	117	380
Overseas	129	98
Kiwisaver / Pension		
NZ	187	137
Overseas	53	100
Staff Costs	96	250
	5,350	6,018
Staff numbers as at 31 March		
NZ	47	43
Overseas	8	9



For the Year Ended 31 March 2017

6. Professional fees	2017 \$'000	2016 \$'000
Auditors' fees for audit of the financial statements (i) Auditors' other fees:	40	32
	19	21
Taxation compliance services	2	
Taxation advisory services	115	16
Accounting advisory services and systems	_	81
Consultancy services	128	603
Legal Expenses	92	171
-	396	924
(i) The auditor of the Group in 2016 and 2017 is Deloitte Limited.		
7. IT Costs		
	2017	2016
Diotform housing	\$'000	\$' 000
Platform housing	2,305	1,485
Support and maintenance	343	157
Licence	174	64
Other IT expenses	106	141
-	2,928	1,847
8. Other expenses		
Other Expenses includes the following amounts:		
Share based payment expense	108	111
Foreign Exchange Gain	(27)	(73)
Non-Derivative Interest Expense	11	-
9. Lease expenses		
Lease expenses are included within staff benefits and office costs		
Staff benefits	183	172
Office costs	201	188

10. Tax

The major components of income tax expense for the years ended 31 March 2017 and 2016 are:

(a) Consolidated Statement of Comprehensive Income:	2017 \$'000	2016 \$'000
Current income tax:		
Current income tax expense	(208)	(57)
Deferred tax:		
	86	
Income tax expense reported in the statement of comprehensive income	(122)	(57)



For the Year Ended 31 March 2017

10. Tax (continued)

(b) Current tax assets and liabilities	2017 \$'000	2016 \$'000
Current tax payable	82	39
	82	39
(c) Reconciliation of income tax expense to net loss before tax:	2017 \$'000	2016 \$'000
Net loss before tax	(6,369)	(6,592)
Benefit at statutory income	1,784	1,846
Non-deductible expenses	(38)	13
Future benefit of tax losses not recognised	(1,847)	(1,910)
Effect of difference in overseas tax rates	9	(6)
Foreign withholding tax expenses	(30)	
Income tax expense reported in the statement of comprehensive income	(122)	(57)

(d) Deferred Tax

The Group has estimated gross tax losses of \$22.1m at balance date (2016: \$14.4m). These are subject to confirmation by the Inland Revenue Department and subject to meeting the requirements of the 2007 Income Tax Act. Unrecognised deferred tax assets arising from these tax losses are \$6.2 m measured at 28% (2016: \$4.4m). The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Intangible assets	Provisions & accruals	Tax Iosses	Deferred revenue	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 April 2015	(131)	18	113	-	-
Recognised in profit and loss	(179)	19_	160		
At 31 March 2016	(310)	37	273		
At 1 April 2016	(310)	37	273	-	-
Recognised in profit and loss	(305)	13	292	86	86
At 31 March 2017	(615)	50	565	86	86

(e) Imputation Credit Account Balances

	2017	2016
	\$000	\$000
Balance as at 31 March	14_	9



For the Year Ended 31 March 2017

11. Cash and Cash Equivalents

·	2017 \$'000	2016 \$'000
Cash at banks	190	1,428
Short term deposits	425	1,209
	615	2,637
Denominations in:		
New Zealand dollars	405	2,068
United States dollars	85	425
Australian dollars	34	15
Japanese Yen	70	105
Great British pounds	21	24
	615	2,637

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are held with the Group's bankers, made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

12. Trade and Other Receivables	2017	2016
	\$'000	\$'000
Accounts receivable and accrued income	1,562	628
Sales tax receivable	94	183
Prepayments and other receivables	189	253
Resident withholding tax	40	9
	1,885	1,073
The aging profile of Accounts Receivable are as follows		
Current	249	331
30-59	32	110
60-89	1,036	17
90 days and later	245	170
	1,562	628

The aging profile above does not necessarily reflect whether an amount is past due and impaired as customer credit terms vary. Of the total amount above \$1.3m is past due. Normal credit terms are 30th of the following month.



For the Year Ended 31 March 2017

13. Investments in Subsidiaries

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

Name	Holding company	Equity 2017	interest 2016	Balance date	Country of incorporation	Principal activity
Plexure Limited	Plexure Group Limited	100%	100%	31 March	New Zealand	Trading entity
VMob IP Limited	Plexure Group Limited	100%	100%	31 March	New Zealand	Holder of IP assets
VMob Pty Limited	Plexure Limited	100%	100%	31 March	Australia	Trading entity
VMob Singapore Pte Limited	Plexure Limited	100%	100%	31 March	Singapore	Trading entity
VMob UK Limited	Plexure Limited	100%	100%	31 March	United Kingdom	Trading entity
VMob USA Limited	Plexure Limited	100%	100%	31 March	USA	Trading entity
VMob KK	Plexure Limited	100%	100%	31 March	Japan	Trading entity

On the 25th of July 2016 VMob Group Limited and VMob Limited changed their names to Plexure Group Limited and Plexure Limited. All other companies in the Group structure still retain the VMob name although trade as Plexure.

14. Property, Plant & Equipment

	Leasehold Improvements \$'000	Furniture & Fittings \$'000	Plant & Equipment \$'000	Total \$'000
Cost				
At 1 April 2015	229	42	116	387
Additions	10	18	74	102
Disposals		(1)	(3)	(4)
At 31 March 2016	239	59	187	485
Additions	3	-	32	35
At 31 March 2017	242	59	219	520
Amortisation				
At 1 April 2015	(15)	(11)	(38)	(64)
Depreciation charge for the year	(48)	(7)	(63)	(118)
Disposals	-	-	3	3
At 31 March 2016	(63)	(18)	(98)	(179)
Depreciation charge for the year	(48)	(6)	(67)	(121)
Disposals			<u> </u>	
At 31 March 2017	(111)	(24)	(165)	(300)
Net book value				
At 31 March 2016	176	41	89	306
At 31 March 2017	131	35	54	220



For the Year Ended 31 March 2017

15. Intangible Assets

To. Intaligible Addets	Core Platform \$000s	Mobile Platform \$000s	Total \$000s
Cost			
As at 1 April 2015	3,713	477	4,190
Additions-internally developed	2,549	419	2,968
As at 31 March 2016	6,262	896	7,158
Additions-internally developed	2,316	121	2,437
Asat31March2017	8,578	1,017	9,595
Amortisation			
As at 1 April 2015	(858)	(260)	(1,118)
Amortisation charge for the year	(1,108)	(252)	(1,270)
Asat31March2016	(1,876)	(512)	(2,388)
Amortisation charge for the year	(1,469)	(344)	(1,813)
As at 31 March 2017	(3,345)	(856)	(4,201)
Net book value			
Asat31March2016	4,386	384	4,770
Asat 31 March 2017	5,233	161	5,394
16. Trade and Other Payables		2017 \$'000	2016 \$'000
Accounts payable		818	819
Accruals		595	665
Staff social security and tax payable		157	-
		1,570	1,484

17. Deferred Revenue

Deferred customer revenue relates to income invoiced to customers in advance during a financial period, part of which will be recognised in the statement of comprehensive income of a subsequent financial period. Deferred grant revenue relates to the Group's grant income for the development of its core platform.



For the Year Ended 31 March 2017

17. Deferred Revenue (continued)

	2017	2016
	\$'000	\$'000
Deferred customer revenue	1,094	501
Deferred grant revenue	55	67
	1,149	568
Classified as:		
Current	1,149	551
Non-current	-	17
	1,149	568

18. Convertible note

On the 3 February 2017 Plexure Group Limited entered into a convertible debt agreement to issue convertible notes with an aggregated principle value \$1.6m (2016: nil) maturing on 3 November 2017. The notes bear 8% interest per annum calculated on a simple basis and are convertible at the option of the holder at a price of \$0.28 per share.

Conversion or redemption may occur any time between 3 February 2017 and 3 November 2017. If the notes have not been converted or redeemed they will convert on 3 November 2017. The convertible note contains a liability at amortised cost and a derivative liability at fair value through the profit and loss.

	\$'000
Proceeds of issue	1,600
Derivative liability fair value at date of issue	(250)
Liability component at date of issue	1,350
Interest charged at effective interest rate of 9.04%	69
Closing balance	1,419

As at 31 March the carrying value of the derivative liability is as follows:

	\$'000
Amount at date of issue	250
Fair value of derivative through profit and loss	(89)
Closing balance	161

The fair value of the derivative liability has been determined using the Black Scholes model and is a level 3 valuation in the Fair Value Hierarchy. The main assumptions used in this valuation are:

Risk free rate	1.93%
Volatility	50%
Exercise price	0.28 cents per share

19. Other liabilities

Other liabilities represent a lease inducement received for the leasing of premises in Auckland. The inducement is being recognised over five years which is the initial term of the lease.



For the Year Ended 31 March 2017

20. Share Capital and Share Based Payment Reserve

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

(a) Share capital	Shares	\$'000
Balance as at 31 March 2015	58,736,421	13,179
Movements during the year		
Shares issued by way of private placement in May 2015	6,750,000	2,565
Shares issued by way of purchase plan in June 2015	1,008,027	369
Shares issued by way of private placement in August 2015	750,000	297
Shares issued by way of share purchase plan in October 2015	5,480,059	1,829
Shares issued by way of private placement in December 2015	9,329,412	3,142
Shares issued by way excise of share options in January 2016	240,000	63
Balance as at 31 March 2016	82,293,920	21,444
Movements during the year		
Shares issued by way of private placement in June 2016	9,106,593	3,223
Shares issued by way of private placement in December 2016	1,250,000	285
Balance as at 31 March 2017	92,650,513	24,952

(b) Share based payments

The share based payment reserve is used to record the accumulated value of unexercised share options and vested share rights which have been recognised in the statement of comprehensive income. As at balance date executives, employees and directors have options over 8,006,533 shares (2016: 6,363,200) (refer Note 29).

	2017 \$'000	2016 \$'000
Balance at the beginning of year	970	880
Share based payment	250	364
Writeback of share based payment expired	(142)	(253)
Options exercised during the year transferred to share capital	-	(21)
Balance at the end of year	1,078	970



For the Year Ended 31 March 2017

20. Share Capital and Share Based Payment Reserve (continued)

(c) Foreign exchange translation reserve

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

	2017	2016
	\$'000	\$'000
Balance at the beginning of year	56	14
Exchange differences arising on translating the foreign operations	9	42
Balance at the end of year	65	56

21. Earnings Per Share

The loss of \$6,491k (2016: \$6,649k) for the year represented a loss per share shown below based on weighted average ordinary shares on issue during the year.

	2017	2016
Weighted average ordinary shares issued	89,974,984	70,656,244
Weighted average potential ordinary shares	7,824,214	6,888,104
Weighted average number of ordinary shares for diluted loss per share	89,974,984	70,656,244
Basic loss per share (cents)	7.1	9.4
Diluted loss per share (cents)	7.1	9.4

Note that the options are not considered dilutive in terms of calculating earnings per share, as a loss was recorded in 2017 and 2016.

22. Accumulated Losses	2017	2016
	\$'000	\$'000
Balance at the beginning of year	(15,812)	(9,163)
Net loss for the year	(6,491)	(6,649)
Balance at the end of the year	(22,303)	(15,812)



For the Year Ended 31 March 2017

23. Related Party Transactions

At reporting date the Directors of the Company controlled 24% (2016: 27%) of the voting shares in the Company.

, ,		2017	2016
Phil Norman	Directors Fees	50,000	50,000
	Consulting Fees	100,000	120,000
	Payables	4,792	16,508
	Share holding	3,194,405	3,194,405
	Shares as a %	3.45%	3.88%
Scott Bradley	Options	600,000	600,000
•	Share holding	17,281,095	17,281,095
	Shares as a %	18.65%	21.00%
Tim Cook	Directors Fees	35,000	35,000
	Consulting Fees	9,000	23,500
	Payables	3,354	3,354
	Share holding	1,316,847	1,316,847
	Shares as a %	1.42%	1.60%
Sharon Hunter	Directors Fees	35,000	11,667
	Consulting Fees	-	-
	Payables	3,354	-
	Share holding	-	-
	Shares as a %	-	-
Mike Carden* (resigned 23/12/2016)	Directors Fees	26,250	35,000
	Consulting Fees	-	-
	Payables	-	3,354
	Share holding	-	365,051
	Shares as a %	-	0.44%

^{*} On the 7th March 2017 Mike Carden's shareholding was transferred to a Corporate Trustee.

The Company supplied services to the value of \$184,017 (2016: \$206,292) to Loyalty New Zealand Limited during the year. Phil Norman was a Director of this company during the year.

The Company received no funding from New Zealand Trade and Enterprise during 2017 (2016: \$299,836) during the year. Mike Carden is a member of the Beachheads Advisory Board for New Zealand Trade and Enterprise.

Key management personnel and director transactions

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

In addition to their fees and salaries, the Group also provides non-cash benefits to directors and executive officers in the form of share options (refer Note 29).



For the Year Ended 31 March 2017

23. Related Party Transactions (continued)

The following table summarises remuneration paid to key management personnel and directors:

	2017	2016
	\$'000	\$'000
Directors' fees	146	155
Consulting fees paid to directors	109	129
Share based payments	152	111
Short term employee benefit	1,926	1,607
	2,333	2,002

24. Operating lease Commitments - Group as lessee

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

	2017 \$'000	2016 \$'000
	φ 000	\$ 000
Within one year	127	369
After one year but not more than five years	186	336
	313	705

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

25. Contingencies

There were no material contingent assets or contingent liabilities at 31 March 2017 (2016:\$0).

On the 31 March 2017 Plexure signed a commitment agreement with Microsoft New Zealand. Plexure committed to spend \$2.4m with Microsoft over the next 12 months on Microsoft Azure and associated products.

26. Segmental reporting

The Chief Executive and members of the executive management team are the Group's chief operating decision makers. They have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself forms a single operating segment, the development and deployment of a real time CRM solution. The segment result is reflected in the financial statements.



For the Year Ended 31 March 2017

26. Segmental reporting (continued)

(a) Geographical information

The Group operated principally in Australasia, Asia, North America, Latin America and Europe during the year ended 31 March 2017. Operating revenue by geographical location is as follows:

	2017	2016
	\$'000	\$'000
Asia	3,116	2,605
Australasia	783	511
North America	1,780	1,494
Latin America	471	-
Europe	894	758
	7,044	5,368

All material non-current assets are held within New Zealand.

27. Reconciliation of Operating Cash Flows

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

	2017 \$'000	2016 \$'000
Net loss after tax	(6,491)	(6,649)
Adjustments for non-cash items		
Amortisation	1,813	1,270
Depreciation	121	118
Amortisation of lease inducement	(10)	(10)
Share based payment expense	108	111
Fair value of derivative	(89)	-
Interest accrued on convertible note	69	-
	2,012	1,489
Movements in working capital		
(Increase) in trade & other receivables	(901)	(70)
Increase in trade payables & accruals	129	371
Increase / (Decrease) in deferred revenue	581	333
Financing activities included within trade payables	-	-
	(191)	634
Net cash outflow from operating activities	(4,670)	(4,526)

For the Year Ended 31 March 2017

28. Financial Risk Management

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

(a) Capital Risk Management

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

The capital structure of the Group consists of debt, shares and equity comprising of convertible notes, issued capital, equity reserves and accumulated losses as disclosed in Notes 18, 20 and 22.

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

The Group is not subject to externally imposed capital requirements.

The Groups overall strategy remains unchanged from prior year.

(b) Interest Rate Risk

Other than the convertible note the Group has no significant interest bearing assets or liabilities and operating cashflows are substantially independent of changes in market interest rates in interest bearing financial assets or liabilities. The convertible note has a fixed interest rate.



For the Year Ended 31 March 2017

28. Financial Risk Management (continued)

(c) Foreign Exchange Risk

The Group faces the risk of movements in foreign currency exchange rates against the New Zealand dollar. During the year ended 31 March 2017, the Group's transactions were in New Zealand dollars, Australian dollars, Singapore dollars, United States dollars, Sterling, Japanese Yen and Euros. As a result the Group's consolidated statement of comprehensive income and consolidated statement of financial position can be affected by movements in exchange rates.

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

		2017			2016	
	Carrying amount	+/-10% effect on profit before tax	+/-10% effect on equity	Carrying amount	+/-10% effect on profit before tax	+/- 10% effect on equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets Cashandcashequivalents						
USD	85	8	8	425	42	42
AUD	34	3	3	15	1	1
JPY	70	7	7	105	10	10
GBP	21	2	2	24	2	2
Trade receivables						
USD	1,437	144	144	234	21	21
AUD	23	2	2	61	6	6
JPY	-	-	-	6	2	2
EUR	102	10	10	268	24	24

(d) Credit Risk

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

The maximum exposures to credit risk at balance date are:

	2017	2016
	\$'000	\$'000
Cash and cash equivalents	615	2,637
Accounts Receivable	1,562	628

At March 31, 2017, the credit risk associated with trade accounts receivable is considered minor due to the mix and number of large organisations. At March 2017 accounts receivable included an amount of \$1,028,475 due from one customer. The Group's bank accounts are held with reputable banks in New Zealand and overseas. Otherwise the Group does not have any other concentrations of credit risk. The Group does not require any collateral or security to support financial instruments.



For the Year Ended 31 March 2017

28. Financial Risk Management (continued)

(e) Liquidity Risk Management

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

(f) Fair Value of Financial Instruments

There are no significant differences between the fair values and the carrying amounts of financial assets and liabilities in the consolidated statement of financial position as at balance date.

29. Share Based Payments

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

Grant date	Personnel entitled	Number of instruments
27/08/2012	Key executives	
25/03/2013	Key executives	260,000
26/03/2014	Key executive and staff	1,509,760
26/06/2014	Staff	220,107
28/10/2014	Staff	50,000
30/03/2015	Key executives and staff	340,000
17/06/2015	Key executives and staff	323,333
19/11/2015	Key executives and staff	690,000
07/06/2016	Key executives and staff	333,333
02/12/2016	Key executives and staff	2,490,000
22/02/2017	Staff	30,000
Total options issued	_	8,006,533



For the Year Ended 31 March 2017

29. Share Based Payments (continued)

All share options vest in three equal tranches, one third on each of the first, second and third anniversaries of the grant. The contractual life of all options is until 5 calendar years from the date of issue.

The number and average exercise price of the share options are as follows:

		2016		
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
Outstanding at 1 April	- -	6,363,200	- -	6,507,200
Exercised during the year		-		(240,000)
Granted during the year	0.29	3,750,000	0.36	1,270,000
Forfeited during the year	0.36	(2,106,667)	0.60	(1,164,000)
Outstanding at 31 March		8,006,533		6,363,200

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

Issue Date	22/02/17	02/12/16	07/06/16	19/11/15	17/06/15
Estimated fair value per option at grant date	12.8 cents	11.8 cents	18.7 cents	16.7 cents	20.1 cents
Exercise price per share	26.0	24.0	38.0	34 cents	40.8 cents
Expected volatility	50%	50%	50%	50%	50%
Option life from date of grant	5 years				
Risk free interest rate	4.00%	4.00%	4.00%	4.00%	4.00%

Issue Date	30/3/15	28/10/14	20/6/14	26/03/14	25/03/13	27/08/12
Estimated fair value per option at grant date	22.1 cents	0.16 cents	24.6 cents	33.2 cents	15.4 cents	8.6 cents
Exercise price per share	45 cents	32.5 cents	50 cents	67.5 cents	31.2 cents	17.5 cents
Expected volatility	50%	50%	50%	50%	50%	50%
Option life from date of grant	5 years					
Risk free interest rate	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%

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

30. Events after reporting period

On the 12th April 2017 Plexure signed a financing agreement with De Lage Landen Limited. The agreement finances the pre commitment to Microsoft at 0% and allows the pre commit to Microsoft to be paid off in 10 monthly instalments.

Subsequent to year end Plexure has been examining options for cost reduction to meet its goal of near-term profitability. This includes restructuring for which an announcement will be made forthwith.



Additional NZX Disclosures

For the Year Ended 31 March 2017

1. Substantial Product Holders

Pursuant to section 280 of the Financial Markets Conduct Act 2013, the following persons had given notice as at the balance date of 31 March 2017 that they were substantial product holders in the Company:

Name	No. of Shares	% of Issued Shares
Sharbo ULC (Scott Bradley)	17,281,095	18.65%

2. Spread of Security Holders at 31 March 2017

	Shareholders		Sha	ires
	Number	%	Number	%
1 – 999	306	24.4	83,841	0.1
1,000 - 4,999	289	23.0	766,883	0.8
5,000 - 9,999	159	12.7	1,114,234	1.2
10,000 - 99,999	386	30.8	11,831,081	12.8
100,000 - 499,999	87	7.0	17,304,121	18.7
500,000 - 999,999	12	1.0	7,643,992	8.2
1,000,000 and above	14_	1.1	53,906,361	58.2
TOTAL	1,253	100.0	92,650,513	100.00

3. Twenty Largest Equity Security Holders

The names of the 20 largest holders of ordinary issued shares as at 31 March 2017 are listed below.

Top 20 Shareholders	No. of Issued Ordinary Shares	% Issued
Sharbo Limited	17,281,095	18.65
Vix Investments Limited	5,405,405	5.83
Jarden Custodians Limited	5,050,000	5.45
HSBC Nominees (NZ) Limited	4,305,731	4.65
Collins Asset Management Limited	3,838,692	4.14
JML Capital Limited	3,806,042	4.11
Phil Norman	3,194,405	3.45
Accident Compensation Corporation	2,172,468	2.34
Denise Jane Campbell	2,050,086	2.21
Forsyth Barr Custodians Limited	1,740,858	1.88
Duncan Ritchie & Andrea Bell	1,403,000	1.51
Tim Cook	1,316,847	1.42
Jaobq Pty Limited	1,257,143	1.36
MK 1 Trustee Limited	1,084,589	1.17
Custodial Services Limited	821,403	0.89
Christopher Eyles	780,000	0.84
Annette Presley & Professional Trustees Limited	751,422	0.81
Leveraged Equities Finance Limited	704,988	0.76
Lifjar Pty Limited	650,000	0.70
Suede Salt Pty Limited	627,933	0.68
	58,242,107	62.86

Additional NZX Disclosures

For the Year Ended 31 March 2017

4. Interests Register

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

5. Directors' Remuneration

		2017	2016	
Directors' remuneration is as follows:		\$	\$	
Scott Bradley	Salary	573,288	476,346	
•	Benefits	146,097	133,289	
Phil Norman	Chairman fee	50,000	50,000	
	Consulting fee	100,000	120,000	
Tim Cook	Director fee	35,000	35,000	
	Consulting fee	9,000	23,500	
Sharon Hunter	Director fee	35,000	11,667	
Mike Carden Resigned 23/12/16	Director fee	26,250	35,000	

During 2016 and 2017 the CEO was relocated to San Francisco to help grow the company in the USA. His financial remuneration was adjusted to reflect commercial terms in this key market. The Company also agreed to compensate the CEO for his additional costs of living whilst located in the US, a cost of approximately \$146,097 for the year ended 31 March 2017 (2016: \$133,289). The CEO has now returned to New Zealand and his salary has been adjusted to reflect this.

6. Directors' Loans

There were no loans from the Group to Directors.

7. Use of Company Information

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

8. Dividend

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

9. Employees and Contractors Remuneration

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

		NZ Entity	2017 Intl. Entity	Total	NZ Entity	2016 Intl. Entity	Total
Employee	\$100-120,000	8	0	8	5	4	9
remuneration	\$120-140,000	5	3	8	6	1	7
(excl CEO)	\$140-160,000	2	1	3	4	1	5
,	\$160-180,000	1	0	1	1	0	1
	\$180-200,000	1	0	1	1	1	2
	\$200-220,000	0	1	1	1	0	1
	\$220-260,000	0	2	2	1	1	2
	\$270-300,000	1	1	2	0	0	0
	\$400-500,000	1	0	1	1	0	1



Additional NZX Disclosures

For the Year Ended 31 March 2017

10. Directors' Equity Security Holdings

Details of director equity securities holdings as at 31 March 2017 are set out below:

Name of Director		Beneficially	Associated Persons
Scott Bradley	Shares	17,281,095	-
	Options	600,000	-
Phil Norman	Shares	3,194,405	9,362
Tim Cook	Shares	1,316,847	-
Sharon Hunter	Shares	-	-

11. Share Dealing

During the year there was no share dealing by the Directors (or the relevant associated entity in which the Director has a relevant interest).

On 7 March 2017 former Director Mike Carden transferred his holding to a Corporate Trustee.

12. Remuneration of Auditors

	2017	2016
	\$'000	\$'000
Audit of the financial statements	40	32
Tax compliance services	19	21
Tax advisory services	2	16
	61	69

The auditor of the Group is Deloitte Limited for the year ended 31 March 2017.

13. Donations

The Group made one donation in the United States to Ronald McDonald House for \$2,820 during the year ended 31 March 2017 (2016:nil).

14. Directors Holding Office

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

Phil Norman Scott Bradley Tim Cook Sharon Hunter Mike Carden (resigned)



Directory

As at 31 March 2017

Company Number 244518

NZ Business Number 9429039937803

Directors Phil Norman – Chairman

Scott Bradley Tim Cook Sharon Hunter

Mike Carden (resigned 23 December 2016)

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