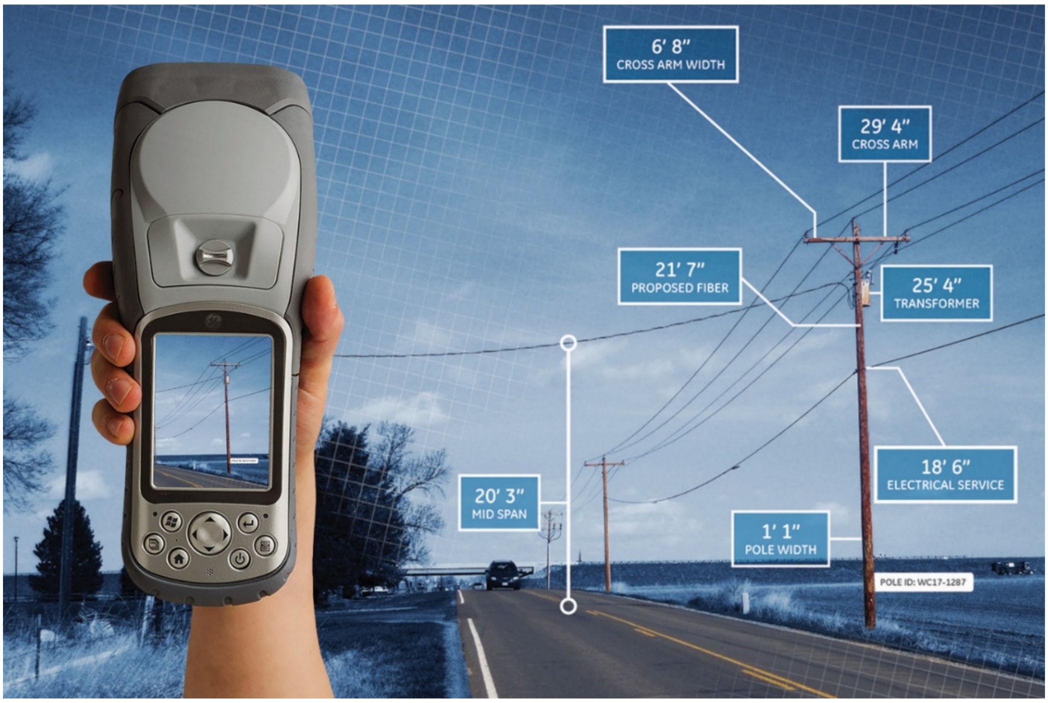
WITH 2.1X REVENUE AND OTHER INCOME GROWTH, 2 NEW PRODUCTS, 63 EMPLOYEES AND STRONG MOMENTUM, IT'S BEEN A BIG YEAR. THIS IS OUR ANNUAL REPORT FOR THE YEAR TO MARCH 2015.

ikeGPS

Get the measure of your world

MapSight



Spike

MEASURING UP

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Chairman and CEO report

Dear Shareholder

Financial Performance

The Group's reported income of $4.0 million for the financial year ended 31 March 2015 (FY15) represents a 114% increase on the previous financial year's revenue. This increase was based primarily on sales of our GE MapSight solution to the electric utilities market (216 units sold during FY15) and the introduction of our new smartphone solution, Spike (with 1,191 units sold during FY15).

Contract services relating to Spike were delivered to two major industry partners during FY15, with this contract revenue being achieved earlier than expected. An additional $0.5 million in contract services was invoiced and receipted in FY15 but corresponding revenue recognition was deferred into the 2016 financial year (FY16).

FY15 income was below the level forecast as part of the Company's 2014 initial public offering (IPO) of $6.4 million. This was primarily due to anticipated sales of the new smart phone solution falling just outside the 31 March 2015 financial year end. We are pleased to have received those expected orders in April 2015 from our Original Equipment Manufacturer (OEM) partner, and the Board believes that this will result in outperformance in this channel in FY16.

The loss attributable to owners of $5.1 million for FY15 was lower than the $5.3 million loss forecast as part of the Company's IPO. This reduction was a result of the overall scaling of the business tracking around 90 days behind the plan set out in the IPO offer documents. This slight delay in building out resources reduced costs in the period and impacted our forecast increase in revenues.

Building markets and capability

Pleasingly, the Group has built significant capability through FY15 to underpin growth targets for FY16 and beyond. This included establishing two new offices in the USA, expanding our Wellington engineering and manufacturing facility and initiating sales presences in Asia and Europe.

Full-time equivalent staff numbers increased approximately 2.5 times through the period - from 21 in March 2014 to 60 by March 2015. At the date of this release there are 63 full-time equivalent staff. Our focus on recruitment and on-boarding has resulted in high calibre staff joining us in the key areas of sales and marketing, product development and customer support. Our focus for FY16 is to continue to work towards building operating and support platforms capable of supporting a much larger number of end-users, building an online sales and marketing capability to capture the large and expanding addressable market for Spike, and building direct sales capability for GE MapSight – our high value and higher touch solution sold to electric utilities businesses.

Product extensions

In FY15 we introduced Spike, the Group's new smart laser measurement solution. The hard launch of Spike tracked about 90 days behind the plan set out in the IPO offer documents, but we are nevertheless very pleased with the momentum in the Spike business today. Spike is now experiencing strong online sales growth as well as the emergence of enterprise sales opportunities that will be pursued through FY16. Spike unit sales are currently forecast to exceed the IPO offer document forecast for FY16 of 2,712 units and revenue of $2.9m. In addition, in November 2014 we announced the signing of a branding and distribution deal with Stanley Black & Decker that is expected to underpin high-volume distribution in FY16.

Looking further ahead for the remainder of FY16, the Group's revenue model is expected to be extended with new cloud-based subscription software products designed to complement existing product offerings including our GE MapSight and Spike platforms, moving the business model towards an increased proportion of recurring revenue. We expect that these products will be introduced in the first half of FY16 under the ikeGPS brand as well as alongside a major global partner.

Outlook for significant growth in FY2016

As previously announced to the market, the Group's outlook for FY16 is for revenues to be in line with its IPO offer document forecasts, with revenues growing to $14.3 million. Overall we are very pleased with momentum across all of our business segments as we begin the 2016 financial year. FY16 is projected to be a period of around 250% growth compared with FY15 revenues, and the Board is confident that this momentum will carry over into the 2017 financial year.

Rick Christie
CHAIRMAN
IKEGPS GROUP
28 MAY 2015

Glenn Milnes
CEO & MANAGING DIRECTOR
IKEGPS GROUP
28 MAY 2015

Introduction

The directors of ikeGPS Group Limited (the Company) present their report on the consolidated entity (the Group), consisting of ikeGPS Group Limited and the entities it controlled during the year ended 31 March 2015.

General Information

Directors

The following persons were directors of ikeGPS Group Limited during the whole financial year and up to the date of this report, unless otherwise stated:

Names	Other Committee responsibilities
Richard Christie (Independent, non-executive Director, Chairman from 2 May 2015)	Nominations and Remuneration Committee
Leon Toorenburg (Executive Director)	-
Peter Britnell (Independent, non-executive Director)	Audit and Risk Management Committee
Alex Knowles (Non-executive Director)	-
Glenn Milnes (Executive and Managing Director)	Nominations and Remuneration Committee
Bruce Harker (Independent, non-executive Director)	Nominations and Remuneration Committee
Frederick Lax (Non-executive Director) appointed 21 July 2014	Audit and Risk Management Committee
Jenny Morel (Ceased 2 June 2014)	-

Auditors

PricewaterhouseCoopers

Bankers

Bank of New Zealand

Legal Advisors

Chapman Tripp

Registered Office

Level One, 42 Adelaide Rd, Newtown, Wellington 6021

Company Number

1292732

Group

ikeGPS Group Limited owns 100% of:

1. ikeGPS Limited
2. ikeGPS Incorporated

Directors Report

The Directors are pleased to present the financial statements of ikeGPS Group for the financial year ended 31 March 2015.

The directors are responsible for the preparation, in accordance with New Zealand law and Generally Accepted Accounting Practice, of consolidated financial statements which present fairly the financial position of the Group as at 31 March 2015 and the results of its operations for the year then ended. The directors consider that the financial statements of the Group have been prepared using accounting policies appropriate to the Group's circumstances, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

The directors have responsibility for ensuring that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and Group and enable them to ensure that the financial statements comply with the Companies Act 1993 and the Financial Reporting Act 2013.

The financial statements are dated 28 May 2015 and signed in accordance with a resolution of the directors made pursuant to section 211 (1) (k) of the Companies Act 1993.

Review of Operations

Principal activities

The principal activities of the Group during the financial year ended 31 March 2015 were in the design, marketing and sales of the ikeGPS measurement systems, integrated GPS data capture devices and related software.

The nature of the Group's activities has not changed during the year.

A summary of the Group's operating results are:

	2015	2014
	$'000's	$'000's
Total operating revenue and government grants	4,026	1,883
Net loss before other comprehensive income	(5,081)	(2,261)
Net assets	22,122	3,949

Other items

Net Tangible Asset

Net tangible assets per security as at 31 March 2015 were $0.36 NZ cents ($0.04 NZ cents: 31 March 2014).

Significant changes in the state of affairs

The Company was listed on the New Zealand Stock Exchange (NZX:IKE) on 23 July 2014 and $25,000,000 of new capital (prior to capital raising costs) was raised during the initial public offering.

The Company launched Spike, its new smart phone measuring system, to the market in June 2014.

Audit report

The financial statements for the current year have been audited by PricewaterhouseCoopers and a copy of their audit report is included with the financial statements.

In accordance with Section 200(1) of the Companies Act 1993, PricewaterhouseCoopers will continue to act as auditors of the Group.

For and on behalf of the Board:

Dr Bruce Harker
Director
28 May 2015

Peter Britnell
Director
28 May 2015

Shareholder Information

Shareholder Information

Corporate Governance

Best practice and governance

The Board recognises the importance of good corporate governance, particularly its role in delivering improved corporate performance and protecting the interests of all stakeholders.

The Board is responsible for establishing and implementing the Group's corporate governance frameworks, and is committed to fulfilling this role in accordance with best practice while observing applicable laws, the NZX Corporate Governance Best Practice Code (NZX Code), and the Financial Markets Authority Corporate Governance in New Zealand Principles and Guidelines.

The Investors section on the Company's website contains copies of the following corporate governance documents adopted and followed by the Company:

- Constitution;
- Corporate Governance Code (which contains the Company's Code of Ethics, Audit and Risk Management Committee Charter, and Nominations and Remuneration Committee Charter); and
- Securities Trading Policies and Guidelines.

The Company considers that during the reporting period, the corporate governance principles adopted and followed by it did not materially differ from the NZX Code.

The role of the Directors

The Directors assume accountability for the success of the Group by taking responsibility for the direction and management of the Group's affairs. The main functions of the Directors include:

1. reviewing and approving the strategic, business and financial plans prepared by management;
2. ensuring the Group has appropriate management to enable it to achieve its objectives;
3. reviewing and approving individual investment decisions which the Directors have determined should be referred to it before implementation;
4. monitoring the Group's performance against its approved plans and to oversee the Group's operating results;
5. ensuring the quality and independence of the Group's external audit process;
6. monitoring compliance and risk management; and
7. establishing and monitoring the Group's health and safety policies.

Compositon of the Board

The Board consists of five non-executive directors and two executive directors.

1. Rick Christie (Independent, Non-executive Chairman),
2. Bruce Harker (Independent, Non-executive Director),
3. Peter Britnell (Independent, Non-executive Director),
4. Alex Knowles (Non-executive Director),
5. Fred Lax (Non-executive Director),
6. Glenn Milnes (Chief Executive Officer and Managing Director)
7. Leon Toorenburg (Executive Director)

Nomination and appointment

The procedures for the appointment and removal of Directors are ultimately governed by the Group's Constitution. The Board has established a Nominations and Remuneration Committee whose role is to identify and recommend to the Board individuals for nomination as members of the Board and its Committees, taking into account such factors as it deems appropriate, including experience, qualifications, judgement and the ability to work with other Directors. Directors receive formal letters of appointment setting out the arrangements relating to their appointments.

Board committees

The Board operated two Committees during the year: the Audit and Risk Management Committee, the Nominations and Remuneration Committee. Other committees may be formed for specific purposes and disbanded as required.

The Charters of each Committee are in the Investors section on the Group's website. The membership of each Committee at 31 March 2015 was:

1. Audit and Risk Management Committee – Peter Britnell (Chair), Fred Lax
2. Nomination and Remuneration Committee – Rick Christie (Chair), Bruce Harker and Glenn Milnes

Retirement and re-election

At least one-third of Directors retire annually, but are eligible for reappointment by shareholders 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.

Director remuneration

Directors' fees are currently set at a maximum total of $320,000 for all the non-executive Directors. The actual amount of fees paid in the past year to all non-executive Directors was $204,000.

Board access to information and advice

The Company Secretary (Gael Hargreaves, Chief Financial Officer and Company Secretary) is responsible for supporting the effectiveness of the Board by ensuring that policies and procedures are followed and co-ordinating the completion and dispatch of the Board agendas and papers.

All Directors have access to the senior management team, including the Company Secretary, to discuss issues or obtain information on specific areas in relation to items to be considered at Board meetings or other areas as they consider appropriate. Further, Directors have unrestricted access to Group records and information.

The Board, the Board Committees and each Director have the right, subject to the approval of the Chairman, to seek independent professional advice at the Group's expense to assist them to carry out their responsibilities. Further, the Board and Board Committees have the authority to secure the attendance at meetings of outsiders with relevant experience and expertise.

Director education

All Directors are responsible for ensuring they remain current in understanding their duties as Directors.

Directors' share ownership

All Directors and employees are required to comply with the Company's Securities Trading Policy and Guidelines in undertaking any trading in the Company's securities. A copy of this Policy can be found in the Investors section on the Company's website. Tables identifying the Directors' holding of securities are included in the Disclosures section of this Annual Report.

Indemnities and insurance

Deeds of Indemnity have been granted by the Company in favour of the Directors in relation to potential liabilities and costs they may incur for acts or omissions in their capacity as Directors. The Group's Directors' and Officers' Liability insurance policy covers risks normally covered by such policies arising out of acts or omissions of Directors and employees in their capacity as such. In addition, the Company acquired prospectus insurance for its initial public offering.

Board meetings

The Board met formally 15 times in the year ended 31 March 2015 and there were also separate meetings of the Committees. At each meeting the Board considers key financial and operational information as well as matters of strategic importance. Executives regularly attend Board meetings and are also available to be contacted by Directors between meetings.

All available information relating to items to be discussed at a meeting of the Board is provided to each non-interested Director prior to that meeting.

Code of Ethics

The Code of Ethics includes a policy on business ethics which is designed to govern the Board's conduct. The Code addresses conflicts of interest, receipt of gifts, confidentiality and fair business practices.

Disclosure

The Company adheres to the continuous disclosure requirements of NZX and at law, which govern the release of material information in relation to the Group.

Disclosures

Restricted Securities

Those of the Company's shareholders who were shareholders immediately prior to the Company's listing and quotation on 23 July 2014 became subject to transfer restrictions contained in Schedule 4 of the Company's constitution. These restrictions restrict the shareholders' ability to dispose of their ordinary shares from the date their ordinary shares are first quoted on the NZX Main Board until the earlier of the first business day after the Company makes the preliminary announcement of its financial results in respect of the accounting period ended 31 March 2015 and the first business day after the last day such announcement was due to be made. That announcement took place on 29 May 2015.

In addition to the transfer restrictions contained in Schedule 4 of the Company's constitution above, the following directors and officers have agreed to an additional year of transfer restrictions (until the earlier of the first business day after the Company makes the preliminary announcement of its financial results in respect of the accounting period ended 31 March 2016 and the first business day after the last day such announcement was due to be made):

Alex Knowles
Bruce Harker
Peter Britnell
Leon Toorenburg
Glenn Milnes
Brian Soliday
Paul Brewerton. [1]

1. Paul Brewerton left the Company in November 2015 but remains subject to the transfer restrictions.

Audit Fees

The amounts payable to PricewaterhouseCoopers as auditor of the Group are as set out in Notes 2(b) to the financial statements.

Subsidiary company Directors

The following people held office as Directors of subsidiary companies of the Company at 31 March 2015.

1. ikeGPS Inc: Glenn Milnes, Leon Toorenburg and Alex Knowles
2. ikeGPS Limited: Peter Britnell and Leon Toorenburg.
3. Jenny Morel ceased to be a director of ikeGPS Limited on 2 June 2014.

Dividends

As part of the Groups growth plans, dividends are not currently paid and the Board does not expect to declare any dividends during the periods ending 31 March 2015 and 31 March 2016.

Credit rating

The Group has no credit rating.

NZX Waivers

There were no waivers obtained during the period to 31 March 2015.

Diversity

A gender breakdown composition of Directors and officers as at 31 March 2015 and 31 March 2014 are detailed below

Directors;	**2015**	**2014**
Male	7	5
Female	-	1
Officers;	**2015**	**2014**
Male	6	5
Female	1	1

The Company's officers as at 31 March 2015, and their respective roles, are as follows:

Glenn Milnes	Chief Executive Officer
Gael Hargreaves	Chief Financial Officer
Leon Toorenburg	Chief Technology Officer
Jeff Ross	Chief Marketing Officer
Brian Soliday	Senior VP of Sales
Dr Richard Mander	Executive VP of Engineering & Operations
Peter Shaw	Head of Software Engineering

Annual Meeting

The Company's Annual Meeting of shareholders will be held in Wellington. A notice of Annual Meeting and Proxy Form will be circulated to shareholders in July 2015.

Entries recorded in interests register

The following are particulars of entries made in the Company's interests register for the period 1 April 2014 to 31 March 2015 (including in respect of those Directors who are directors of the Company's subsidiaries).

Directors disclosed interests, or cessations of interest, in the following entities pursuant to section 140 of the Companies Act 1993 during the year ended 31 March 2015.

Rick Christie - Chairman	
NZX:EBO EBOS Group Limited	Chairman
NZX:SPN Southport NZ Limited	Director
NZX:ACY Acurity Health Group Limited	Director (resigned February 2015)
Solnet Group (Private)	Director (appointed January 2015)
Powerhouse Ventures Limited	Director
National e-Science Infrastructure (NeSI)	Chairman (appointed February 2015)
Fred Lax - Non Executive Director	
NASDAQ:IKAN, Ikanos Communications Inc	Director and Chairman of audit committee
Peter Britnell - Non Executive Director	
Omori Estate Limited, New Zealand	Director
Apra Investments Pte. Ltd. Singapore	Director
Leon Toorenburg - Executive Director	
Cool Stuff Company Ltd	Director
Lemon Farm Ltd	Director
Bruce Harker - Non Executive Director	
NZX:TPW Trust power	Director
NZX:ZEL Z Energy	Director
Glenn Milnes - CEO and Managing Director	
Advisory Board for No 8 Ventures Management Limited	Advisor
Ohakuri Weekends Limited	Director
Alex Knowles - Non Executive Director	
Knowles Services Ltd	Director
Coast All Services Ltd	Director
36 Ascot Ltd	Director
Alphian Investments Ltd	Director
A Way To Move Inc	Director
Trinium Technologies LLC / QED LLC	Board Member
XenonFS LLC	Board Member
AWA Shipping / IntelligentSCM LLC	Board Member
EPE FRAME METAL SPA	Director
Framemax Systems Inc	Director
Infrastructure Solutions Group LLC	Board Member
Climate Coatings Ltd	Director
Harbourside Developments Ltd	Director
AKMT Ltd	Director
Super Save ltd	Director
CG Lease Ltd	Director

Directors remuneration and other benefits

Directors' fees are currently set at a maximum of $320,000 for the non-executive Directors. The actual amount of fees paid in the year to 31 March 2015 was $204,000.

Directors fees and other remuneration and benefits received or receivable from the Company during the accounting period ended 31 March 2015 are as follows:

Director	$	Nature of remuneration
Richard Christie	63,750	Director fees
Bruce Harker	55,750	Director fees
Peter Britnell	34,750	Director fees
Alex Knowles	21,000	Director fees
Frederick Lax	28,750	Director fees
Glenn Milnes*	253,889	Salary and entitlements
Leon Toorenburg*	150,672	Salary and entitlements
Jenny Morel (ceased 2 June 2014)	-	N/A
Total	**$ 608,561**	

*Glenn Milnes and Leon Toorenburg do not receive any remuneration in their capacities as directors of any Group companies. Glenn Milnes and Leon Toorenburg receive salary and entitlements as employees of ikeGPS Limited.

Each director is separately entitled to be reimbursed for reasonable travelling, accommodation and other expenses incurred in performing their role as a director. No director of either of the Company's subsidiaries receives any remuneration in that capacity.

Options granted to Directors are stated below in Directors and officers relevant interests.

Statement of Directors' and officers' relevant interests

Directors and officers held the following relevant interests in equity securities in the Company as at 31 March 2015. There have been no acquistions or disposals since the Company's listing and quotation on 23 July 2014.

Quoted shares	with beneficial interest	as trustee of family trust or associated company	Total number of shares·
Richard Christie	-	-	-
Bruce Harker	-	72,115	72,115
Peter Britnell	24,545	-	24,545
Alex Knowles	2,983,863	-	2,983,863
Frederick Lax	-	-	-
Glenn Milnes	474,294	-	474,294
Leon Toorenburg	-	1,532,618	1,532,618
Brian Soliday	23,938	-	23,938
Total	**3,506,640**	**1,604,733**	**5,111,373**

In addition to the quoted shares above, Directors and officers held the following relevant interests in Options in the Company as at 31 March 2015.

Options	Vested	Unvested	Total
Richard Christie	37,500	112,500	150,000
Bruce Harker	37,500	112,500	150,000
Peter Britnell	37,500	112,500	150,000
Alex Knowles	37,500	112,500	150,000
Glenn Milnes	387,500	562,500	950,000
Leon Toorenburg	280,000	90,000	370,000
Brian Soliday	62,500	37,500	100,000
Gael Hargreaves	60,000	120,000	180,000
Jeff Ross	60,000	270,000	330,000
Total	**1,000,000**	**1,530,000**	**2,530,000**

Spread of security holders as at 12 May 2015

Size of shareholding	Number of holders	%	Total number held
1-1000	30	6.55	25,070
1001-5000	180	39.3	631,944
5001-10000	101	22.05	818,465
10001-50000	82	17.9	1,834,235
50001-100000	11	2.4	801,725
Greater than 100000	54	11.79	46,018,230

Twenty largest shareholders

Analysis of shareholding on a disaggregated basis at 12 May 2015

Shareholder rank and name	Holding	% total shares on issue
1. No 8 Ventures Nominees Limited	7,047,395	14.06
2. New Zealand Central Securities Depository Limited	3,806,138	7.59
3. Forsyth Barr Custodians Limited	3,252,606	6.49
4. Alex Knowles	2,983,863	5.95
5. Forsyth Barr Custodians Limited	2,976,000	5.94
6. Hector Rex Nicholls & Kerry Leigh Prendergast	2,657,812	5.3
7. Leveraged Equities Finance Limited	2,528,539	5.04
8. Custodial Services Limited	2,111,250	4.21
9. Leon Mathieu Lammers Van Toorenburg & Fanny Emmanuelle Lammers Van Toorenburg	1,532,618	3.06
10. General Electric Company	1,506,024	3
11. Custodial Services Limited	983,750	1.96
12. Jarden Custodians Limited	909,090	1.81
13. 48 Investments Limited	907,343	1.81
14. Nikau Nominees Limited	830,420	1.66
15. Forsyth Barr Custodians Limited	760,150	1.52
16. Forsyth Barr Custodians Limited	728,555	1.45
17. Watt Land Company Limited	694,930	1.39
18. FNZ Custodians Limited	551,500	1.1
19. Custodial Services Limited	485,950	0.97
20. Accident Compensation Corporation	480,769	0.96

Substantial product holders

According to notices given under the Securities Markets Act 1988 and the Financial Markets Conduct Act 2013 as at 31 March 2015, the following were substantial product holders in respect of the 50,129,669 ordinary shares of the Company on issue as at 31 March 2015 (being the Company's only class of listed voting securities):

Name	Shareholding	%	Nature of relevant interest
Alex Knowles	2,983,863	5.958%	Registered holder and beneficial owner of securities
No. 8 Ventures Nominees Limited and No 8 Ventures Managment Limited	7,169,772	14.316%	Registered holder and beneficial owner of securities
Hector Rex Nicholls, Kerry Leigh Prendergast and Advisory Trustees Limited as trustees of the Rex and Kerry Family Trust	2,657,812	5.307%	Registered holder and beneficial owner of securities
Ballylinch LP	2,726,000	5.4%	Registered holder and beneficial owner of securities
Harbour Asset Management Limited	2,600,045	5.19%	Power to acquire and dispose of shares on behalf, and for the benefit, of clients as the beneficial owners of the securities
ikeGPS Group Limited	27,355,090	54.60%	Power to control sale of shares*

* This notice relates to the transfer restrictions applicable to shareholders immediately prior to the Company's listing and quotation on 23 July 2014. The transfer restrictions imposed under Schedule 4 of the Company's constitution were lifted on 29 May 2015, however some transfer restrictions still apply. Refer to the "Restricted Securities" section on page 8 of this annual report for more information.

Employee Remuneration

No remuneration was paid by the Company. The following table shows the number of current or former employees (excluding employees holding office as Directors of subsidiaries) who received remuneration and other benefits in excess of $100,000 NZD from the subsidiary companies of the group during the year ended 31 March 2015:

Band	Number of employees
$100,000 to $109,999	1
$110,000 to $119,999	-
$120,000 to $129,999	2
$130,000 to $139,999	1
$140,000 to $149,999	-
$150,000 to $159,999	-
$160,000 to $199,999	-
$200,000 to $209,999	-
$210,000 to $229,999	1
$230,000 to $239,999	1
$240,000 to $249,999	
$250,000 to $259,000	-
$260,000 to $269,000	-
$270,000 to $279,000	1
Total	7

Donations

No member the Group made any significant donations during the financial year. The Group undertakes regular promotional sponsorship activity through a variety of channels.

Financial Statements for year to 31 March 2015

Independent Auditors' Report
to the shareholders of ikeGPS Group Limited

Report on the Financial Statements

We have audited the Group financial statements of ikeGPS Group Limited ("the Company") on pages 16 to 44, which comprise the consolidated balance sheet as at 31 March 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 31 March 2015 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

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

We are independent of the Group. Our firm carries out other services for the Group in the areas of tax services, other assurance services, and due diligence work in relation to the Prospective Financial Information and Initial Public Offering. The provision of these other services has not impaired our independence.

Independent Auditors' Report

ikeGPS Group Limited

Opinion

In our opinion, the financial statements on pages 16 to 44 present fairly, in all material respects, the financial position of the Group as at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants Wellington
28 May 2015

Consolidated statement of profit or loss and other comprehensive income

	Note	Year ended 31 March Group 2015	
		2015	**2014**
Continuing operations		$'000's	$'000's
Operating revenue	2(a)	3,662	1,765
Cost of sales		(1,569)	(776)
Gross profit		**2,093**	**989**
Operations cost	2(b)	(610)	(215)
Sales and marketing expenses	2(b)	(3,856)	(980)
Engineering and research expenses	2(b)	(1,913)	(916)
Corporate costs	2(b)	(2,346)	(1,077)
Foreign exchange gains/(losses)		625	(157)
Expenditure		**(8,100)**	**(3,345)**
Government Grants	2(a)	364	118
Operating loss		**(5,643)**	**(2,237)**
Net finance income / (expenses)	2(c)	565	(48)
Net (loss) before income tax		**(5,078)**	**(2,285)**
Income tax (expense) / benefit	9	(3)	24
Loss attributable to owners of ikeGPS Group		**(5,081)**	**(2,261)**
Other comprehensive income / (loss)			
Exchange differences on translation of foreign operations [1.]		(640)	132
Comprehensive income / (loss)		**(5,721)**	**(2,129)**
Basic earnings / (Loss) per share	20	($0.14)	($ 0.36)
Diluted Earnings / (Loss) per share	20	($0.14)	($ 0.36)

1. Exchange differences are reclassified to the consolidated statement of profit or loss on disposal of international subsidiary

The notes on pages 20 to 44 are an integral part of these consolidated financial statements.

Consolidated statements of changes in equity

	Share capital $'000's	Accumulated losses $'000's	Share based payment reserve $'000's	Foreign Currency Translation Reserve $'000's	Total $'000's
Opening balance 1 April 2013	8,142	(7,871)	223	531	1,025
Loss for the year	-	(2,261)	-	-	(2,261)
Other comprehensive income					
Currency translation differences	-		-	132	132
Total comprehensive income/(loss)	**-**	**(2,261)**	**-**	**132**	**(2,129)**
Issue of preference shares	5,022	-	-	-	5,022
Recognition of share-based options	-	-	31	-	31
Expired options	-	13	(13)	-	-
Total transactions with owners	**5,022**	**(2,248)**	**18**	**132**	**2,924**
Balance at 31 March 2014	**13,164**	**(10,119)**	**241**	**663**	**3,949**

	Share capital $'000's	Accumulated losses $'000's	Share based payment reserve $'000's	Foreign Currency Translation Reserve $'000's	Total $'000's
Opening balance at 1 April 2014	13,164	(10,119)	241	663	3,949
Loss for the year	-	(5,081)	-	-	(5,081)
Other comprehensive income					
Currency translation differences	-	-	-	(640)	(640)
Total comprehensive income/(loss)	**-**	**(5,081)**	**-**	**(640)**	**(5,721)**
Issue of ordinary shares	23,762	-	-	-	23,762
Recognition of share-based options	-	-	132	-	132
Share based payment reserve movement	207	-	(207)	-	-
Total transactions with owners	**23,969**	**(5,081)**	**(75)**	**(640)**	**18,173**
Balance at 31 March 2015	**37,133**	**(15,200)**	**166**	**23**	**22,122**

The notes on pages 20 to 44 are an integral part of these consolidated financial statements.

Consolidated balance sheet

	Note	As at 31 March Group 2015 $'000's	2014 $'000's
ASSETS			
Current assets			
Cash and cash equivalents	3	17,256	1,623
Trade and other receivables	6	713	403
Prepayment		67	37
Inventory	4	827	148
Total current assets		**18,863**	**2,211**
Non-current assets			
Property, plant and equipment	12	523	98
Intangible assets	13	4,212	3,673
Deferred tax asset	9	21	24
Total non-current assets		**4,756**	**3,795**
Total assets		**23,619**	**6,006**
LIABILITIES			
Current liabilities			
Trade and other payables	7	837	554
Employee entitlements	5	117	101
Deferred revenue current	10	535	395
Convertible preference shares	11	-	1,000
Total current liabilities		**1,489**	**2,050**
Non-current liabilities			
Deferred revenue non-current	10	8	7
Total non-current liabilities		**8**	**7**
Total liabilities		**1,497**	**2,057**
Total net assets		**22,122**	**3,949**
EQUITY			
Share capital	11	37,133	13,164
Share based payment reserve	21	166	241
Accumulated losses		(15,200)	(10,119)
Foreign currency translation reserve		23	663
Total equity		**22,122**	**3,949**

The notes on pages 20 to 44 are an integral part of these consolidated financial statements.

Statements of cash flows

	Year ended 31 March	
	Group	
	2015	2014
Cash flows from operating activities	$'000's	$'000's
Cash receipts from customers and grants	3,856	2,080
Cash paid to suppliers and employees	(9,765)	(3,493)
Interest paid	(5)	(50)
Net cash used in operating activities	**(5,914)**	**(1,462)**
Cash flows from investing activities		
Purchases of property, plant and equipment	(520)	(76)
Additions to intangible assets	(1,250)	(741)
Interest received	570	1
Net cash used in investing activities	**(1,200)**	**(817)**
Cash flows from financing activities		
Proceeds from issuance of shares	22,762	4,070
Repayments of related party loans	-	(129)
Proceeds from related party loans	-	107
Net cash from financing activities	**22,762**	**4,048**
Net increase/(decrease) in cash and cash equivalents	**15,648**	**1,769**
Cash and cash equivalents at 1 April	1,623	(120)
Effect of exchange rate fluctuations on cash held	(15)	(26)
Cash and cash equivalents at 31 March	**17,256**	**1,623**

The notes on pages 20 to 44 are an integral part of these consolidated financial statements

Notes to the consolidated financial statements

Financial statements are presented for ikeGPS Group limited ("the Company") and its subsidiaries, ikeGPS Limited and ikeGPS Inc., together referred to as the "Group". The financial statements were authorised for issue by the Directors on 28 May 2015. The Company is a limited liability company incorporated in New Zealand.

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

Statement of compliance

The Group is primarily involved in the business of design, marketing and sales of the ikeGPS, an integrated GPS data capture device and related software.

The consolidated financial statements have been prepared in accordance with the requirements of the Companies Act 1993 and Financial Reporting Act 2013.

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards, as appropriate for profit oriented entities. These financial statements also comply with International Financial Reporting Standards (IFRS) and IFRIC interpretations.

The Group has adopted External Reporting Board Standard A1, Accounting Standards Framework (For-profit Entities) ("XRB A1") that established a for-profit tier structure and outlines which suite of accounting standards entities in different tiers must follow. For the purpose of complying with NZ GAAP the Company applies Tier 1 For-profit Accounting Standards ("NZ IFRS") on the basis it has public accountability as defined by the standard.

Basis of measurement

The financial statements have been prepared on the historical cost basis with the exception of certain financial instruments which are measured in accordance with the specific relevant accounting policy.

Changes in accounting policy and disclosures

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group.

a) *New and amended standards adopted by the Group*

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014:

Amendment to NZ IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the Group financial statements.

Amendments to NZ IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of cash-generating units which had been included in NZ IAS 36 by the issue of NZ IFRS 13.

The Group has applied the amendment and there has been no significant impact on the Group financial statements as a result.

Other standards, amendments and interpretations which are effective for the financial year beginning on

1 January 2014 are not material to the Group.

Notes to the consolidated financial statements

1. Summary of significant accounting policies (continued)

b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

NZ IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group intends to adopt NZ IFRS 9 on its effective date and has yet to assess its full impact.

NZ IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group intends to adopt NZ IFRS 15 on its effective date and is currently assessing its full impact. There are no other NZ IFRSs or NZ IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Use of estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are the measurement and impairment of intangible assets.

In particular:

- Capitalised development of the core ikeGPS product is amortised up to a period of 10 years.
- Capitalised development of the Spike product is amortised up to a period of up to 5 years
- Patents are amortised up to a period of 20 years.

The Group capitalized its development costs based on a proportion of employee costs. The percentage applies are based on directors judgement and the nature of work employees performed.

The directors have made this judgment based on the fact these intangible assets provide the core technology for all current and future product development and therefore have a life which goes beyond the life of any one product. The core product platform has been developed over a period of 10 years and is considered to have least 8 years of life remaining. Annually the Directors are required to assess the appropriateness of the assets amortisation period. For the current year the Directors have assessed that the current policy is appropriate.

Notes to the consolidated financial statements

1. Summary of significant accounting policies (continued)

The pattern of benefits received from the capitalised development may ultimately differ from the directors' initial judgment due to risk of obsolescence or other future factors affecting the assets useful life. The table below summarises the impact that a reduction in the amortisation period of the core technology platform would have.

Reduction in years	Increase in amortisation expense
1	$21,361
2	$48,561
3	$83,529

The group regularly reviews the carrying value of capitalised development costs to ensure they are not impaired.

Basis of consolidation

Subsidiaries

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

Transactions eliminated on consolidation

Intra-Group transactions, balances, and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Operating segments

The Managing Director and members of the Executive Team are the Group’s operating decision makers. They have determined that based on the information they use for the purpose of allocating resources and assessing performance, the Group itself forms a single operating segment.

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Group are measured in the currency of the primary economic environment in which the Company operates ("the functional currency"). The functional currency of the Company is NZ dollars. The functional currency of the Group's USA subsidiary is US dollars. These financial statements are presented in NZ dollars, which is the Group's presentation currency.

b) Transactions and balances

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

c) Group companies

The results and financial position of the US subsidiary are translated into the presentation currency as follows:

1) assets and liabilities are translated at the closing rate at the date of the balance sheet
2) income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
3) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the statement of profit or loss as part of the gain or loss on sale.

Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) except for trade debtors and trade payables that are stated inclusive of GST.

Notes to the consolidated financial statements

1. Summary of significant accounting policies (continued)

Financial instruments

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables and compound financial instruments.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Trade and other receivables

Trade and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods and services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than twelve months after the end of the reporting period which are classified as non-current assets.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the term of the lease.

Depreciation methods, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date. The impact of the change is not material to the financial statements.

Development equipment	14.0% - 33%
Office furntiture and equipment	13.0% - 48.0%
Plant and equipment	14.0% - 33.0%
Leasehold improvements	9.5% - 33.0%

Gain and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of profit or loss.

Intangible assets

Research and development

All research and development costs, with the exception of product and software development costs, are recognized as an expense when they are occurred.

Capitalised product and software development

Costs that are directly associated with the production of identifiable products available for resale and controlled by the Group that will probably generate economic benefits exceeding costs beyond one year, are capitalised as product and software development. These costs include employee's direct costs and an appropriate portion of relevant direct overheads.

Capitalised development of the Group's core technology which goes beyond the life of any one product is amortised up to a maximum period of 10 years. Other internally generated intangible assets specific to a product is amortised over the life of that produce

Software

Software acquired or developed by the Group, has finite useful lives, and are measured at cost less accumulated amortisation and accumulated impairment losses. Software intangible assets are fully written down. Amortisation is charged on a straight line basis over their estimated useful lives of 3 to 5 years.

Notes to the consolidated financial statements

1. Summary of significant accounting policies (continued)

Patent costs

Patents are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of up to 20 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Trademark and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses are recognised at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of up to 5 years.

Leased assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on a weighted average cost, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Cost comprises direct materials and direct labour. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Government grants

Government grants are assistance by the Government in the form of transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the Group. Government grants include Government assistance where there are no conditions specifically relating to the operating activities of the Group other than the requirement to operate in certain regions or industry sectors.

Government grants relating to assets are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Impairment of non-financial assets

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment or objective evidence of impairment. If any such indication exists, the assets recoverable amount is estimated. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments for the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or 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. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at a fair value, in which case the impairment loss is treated as a revaluation decrease. 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, unless the relevant asset is carried at a fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Impairment of receivables

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Notes to the consolidated financial statements

1. Summary of significant accounting policies (continued)

Employee benefits

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

Provisions 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.

Share-based payment

The Group operates an employee option scheme (equity-settled) under which employees receive the option to acquire shares at a predetermined exercise price. The options are fair valued at grant date using the Black Scholes model with the fair value amortised to profit or loss over the vesting period.

The Group has issued a number of shares to an entity in exchange for the right to use the entity's trade mark for a period of time. The fair value of the trade mark license is recognised as an intangible asset and determined by reference to the contract agreed by both entities.

Revenue

a) Sale of product

Revenue from the sale of product is the sale of measuring devices, associated software, equipment and accessories. Revenue is recognised when the products are shipped and significant risks and rewards of ownership have been transferred to the buyer, and recovery of the consideration is probable.

b) Sale of services

Sale of services include handling fees, warranty service revenue, project services, revenue from delivery of product development and other design fees. Revenue is recognised in the accounting period in which the service is provided. Consideration received prior to the service being provided is recognised in the balance sheet as deferred revenue.

Finance income and expenses

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, and foreign currency losses. All borrowing costs are recognised in profit or loss using the effective interest method.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Earnings per share

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

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares on issue for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees and convertible preference shares.

Notes to the consolidated financial statements

2. Revenue and expenses

(a) Revenue

	Group 2015 $'000's	Group 2014 $'000's
Sale of product	3,427	1,636
Contracted services	235	129
Operating revenue	**3,662**	**1,765**
Government grants	364	118
Total revenue and other income	**4,026**	**1,883**

Sales to one leading utility supplier represented 10% of revenue. There were no other revenues from any other single external customers that amounted to 10% or more of the Group's revenues.

Government grants are in relation to cost subsidies from NZTE for expansion into international markets and cost subsidies from Callaghan Institute for research and development.

(b) Operating expenses

	Group 2015 $'000's	Group 2014 $'000's
Audit of financial statements		
Audit and review of financial statements[1].	111	60
Other services		
Regulatory audit work[2.]	2	
Other assurance services[3.]	6	0
Tax compliance services [4.]	20	10
Other services[5.]	138	-
Total other services	**166**	**10**
Total fees paid to auditor	**277**	**70**
Less other service fees capitalised[5.]	(117)	-
Total auditor expenses	**160**	**70**
Amortisation of development asset	441	232
Amortisation of patents and software	30	21
Amortisation of trademark	240	69
Depreciation	96	41
Total amortisation and depreciation [6.]	**807**	**363**
Employee benefit expense	4,175	2,074
External contractors and consultants	1,323	626
Employee benefit expense capitalised	(1,222)	(710)
IPO expenses [7.]	272	-
Operating lease expenses	122	130
Direct selling and marketing [8.]	1,357	192
Other operating expenses [9.]	1,731	443
Total operating expenses	**8,725**	**3,188**

1. The audit fee includes the fees for both the annual audit of the financial statements and the review of the interim financial statements.
2. Regulatory audit work consists of the audit of share registry.
3. Other assurance services comprise reporting on grant application requirement.
4. Tax compliance services relates to assistance to complete the complete and file the Group's tax return.
5. Other services comprise due diligence work in relation to the Prospective Financial Information, and the Initial Public Offering. An amount of $117,000 was capitalised with the IPO costs. Refer to note 11
6. Amortisation and depreciation expenses are included in engineering and research expenses.
7. IPO listing costs not capitalised, are included in corporate expenses.
8. Direct selling and marketing costs relate to commissions, royalties, promotional events and direct marketing expenses.
9. Includes expenses incurred in earning revenue deferred into the 2016 financial year. (re note 10)

Notes to the consolidated financial statements

2. Revenue and expenses (continued)

(c) Net interest income/(expense)	Group	
	2015	2014
	$'000's	$'000's
Interest income	570	1
Interest expense	(5)	(50)
Net interest income/(expense)	**565**	**(49)**

3. Cash and cash equivalents

	Group	
	2015	2014
	$'000's	$'000's
Bank balances	256	222
Call deposits	17,000	1,401
Total cash and cash equivalents	**17,256**	**1,623**

1. $16,500,000 is on term deposit with a maturity date of 9 May 2015. Interest earned is at a rate of 4.34% p.a.
2. $500,000 is on term deposit with a maturity date of 20 April 2015. Interest earned is at a rate of 3.89% p.a.
3. The Company's overdraft at 31 March 2015 $123,599 is held with the BNZ bank, the same bank who holds the Company's term deposits.

4. Inventory

	Group	
	2015	2014
	$'000's	$'000's
Finished Goods	148	52
Components	679	96
Total inventory	**827**	**148**

5. Employee entitlements

The Group had employee entitlements consisting of accrued leave balances of $117,260 (2014: $100,567).

Notes to the consolidated financial statements

6. Trade and other receivables

	Group	
	2015	**2014**
	$'000's	**$'000's**
Trade receivables	303	186
Other receivables	410	217
Total trade and other receivables	**713**	**403**

The Company has no overdue trade receivables.
No accounts are deemed impaired.
Other receivables relate to;

a) Government grant claim with NZTE for $87,870 (2014: $118,477);
b) GST tax refund received in April 2015 of $147,379 (2014: $98,001);
c) Interest receivable $100,760 (2014:NIL); and
d) Withholding tax receivables $74,193 (2014:NIL).

7. Trade and other payables

	Group	
	2015	**2014**
	$'000's	**$'000's**
Trade payables	563	436
Accrued expenses	274	118
Total trade and other payables	**837**	**554**

8. Subsidiaries

Name of entity	Country of incorporation	Principal activity	Investment	
			2015	**2014**
			$'s	**$'s**
ikeGPS Limited	New Zealand	Product development and business operations	1,000	1,000
ikeGPS Inc.	USA	Business operations	1,000	1,000
			2,000	**2,000**

ikeGPS Limited and ikeGPS Inc. are 100% (2014: 100%) owned by the Company.

Notes to the consolidated financial statements

9. Current and deferred tax

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

	Group	
	2015	2014
	$'000's	$'000's
Net losses before income tax	(5,078)	(2,285)
Prima facie income tax credit at 28%	(1,422)	(640)
Non-deductible expenses	98	-
Prior period adjustment	(123)	-
Unrecorded tax losses	1,450	616
Income tax expenses/ (benefit)	**3**	**(24)**

The Group has unrecognised tax lossess up to $8,139k (2014: $5,287k), available for use against future taxable profits subject to meeting the requirements of continuous ownership provision stated in the Income Tax Act 2007.

A tax asset in respect of these losses has not been recognised due to the uncertainty when the unused tax losses can utilized.

Deferred tax : Employee entitlement	Group	
	2015	2014
	$'000's	$'000's
Opening balance	24	-
Recognised through profit or loss	(3)	24
Closing balance	**21**	**24**

Deferred tax is expected to be settled within 12 months.

10. Deferred revenue

Deferred revenue is income received in advance of the supply of product and warranty services.

	Group	
	2015	2014
	$'000's	$'000's
Warranty deferred revenue	41	41
Contracted Services received [1.]	502	-
Other income received in advance	-	361
Total deferred revenue	**543**	**402**

1. Product development work completed under an existing contract and invoiced and received as per contracted terms. This amount will be recognized as revenue upon product delivery. Expenses in respect of this contract have been included as part of operating expenses with no associated revenue recognized as products will not be delivered until FY16.

Notes to the consolidated financial statements

11. Contributed equity

Share Capital	2015 $'000's	2014 $'000's
On Issue at 1 April	13,164	8,142
Issued for cash	-	4,070
Issued to General Electric Company	-	1,205
Shareholder loan converted to convertible preference shares	-	747
Convertible preference shares	1,000[2.]	(1,000)
Issue of options	207	-
Issued at IPO	25,000	-
Less IPO costs capitalised	(2,238)	-
Total share capital	**37,133**	**13,164**

Share Capital on issue	2015	2014
Fully paid total shares 1 April 2014	25,406,886	18,388,148
Ordinary shares issued on settlement of warrants	617,291	-
Ordinary shares issued from anti-dilution clauses	1,009,780	-
Ordinary shares issued on settlement of options	321,133	-
Shares on issue	**27,355,090**	**18,388,148**
New shares offered	22,727,272 [1.]	7,018,738
Ordinary shares issued on settlement of options after IPO	47,307	-
Fully paid ordinary shares	**50,129,669**	**25,406,886**

1. Shares offered as part of initial public offering
2. Last year the Company had $1,000,000 convertible preference shares which converted to ordinary shares upon the issue of shares in the initial public offering during the year.

Notes to the consolidated financial statements

12. Property, plant and equipment

	Plant & equipment	Leasehold improvements	Office furniture & equipment	Development equipment	Total
	$'000's	$'000's	$'000's	$'000's	$'000's
Cost					
Balance at 1 April 2013	124	28	65	35	252
Additions	52	-	15	9	76
Balance at 31 March 2014	176	28	80	44	328
Balance at 1 April 2014	176	28	80	44	328
Additions	84	-	432	4	520
Balance at 31 March 2015	**260**	**28**	**513**	**48**	**849**
Depreciation					
Balance at 1 April 2013	94	15	55	25	189
Depreciation for the year	25	4	7	5	41
Balance at 31 March 2014	119	19	62	30	230
Balance at 1 April 2014	119	19	62	30	230
Depreciation for the year	40	6	44	6	96
Balance at 31 March 2015	**159**	**25**	**106**	**36**	**326**
Carrying amounts					
At 31 March 2014	57	9	18	14	98
At 31 March 2015	**101**	**3**	**407**	**12**	**523**

Notes to the consolidated financial statements

13. Intangible assets

	Development assets	Patents and software	Trademark license	Total
	$'000's	$'000's	$'000's	$'000's
Cost				
Balance at 1 April 2013	2,490	114	-	2,604
Additions	710	32	1,205	1,947
Balance at 31 March 2014	3,200	146	1,205	4,551
Balance at 1 April 2014	3,200	146	1,205	4,551
Additions	1,222	28	-	1,250
Balance at 31 March 2015	**4,422**	**174**	**1,205**	**5,801**
Amortisation and impairment losses				
Balance at 1 April 2013	509	47	-	556
Amortisation for the year	232	21	69	322
Balance at 31 March 2014	741	68	69	878
Balance at 1 April 2014	741	68	69	878
Amortisation for the year	441	30	240	711
Balance at 31 March 2015	**1,182**	**98**	**309**	**1,589**
Carrying amounts				
At 1 April 2014	2,459	78	1,136	3,673
At 31 March 2015	**3,240**	**76**	**896**	**4,212**

Intangible assets are all recognised within and owned by ikeGPS Group Limited, incorporated in New Zealand.

Development Assets

Additions to internally generated development assets for the year relates to the continued development of the Spike product and other new products not yet released.

Patents and software

Additions to patents refers to Patent applications in regard to the smart phone laser measurement systems. There were no additions to software.

Trademark License

The exclusive trademark rights granted on 16 December 2013 for use of the GE trademark is amortised over a period of five years.

Notes to the consolidated financial statements

14. Financial instruments and financial risk management

Financial instruments recognised in the balance sheet include cash balances, receivables and payables.

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

	2015 $'000's Loans and receivables	2015 $'000's Financial liabilities at amortised cost	2015 $'000's Total carrying value	2014 $'000's Loans and receivables	2014 $'000's Financial liabilities at amortised cost	2014 $'000's Total carrying value
Financial assets						
Cash and cash equivalents	17,256	-	17,256	1,623	-	1,623
Trade receivables	566	-	566	403	-	403
Total financial assets	**17,822**	**-**	**17,822**	**2,026**	**-**	**2,026**
Financial liabilities						
Employee entitlements	-	117	117	-	101	101
Trade and other payables	-	563	563	-	436	436
Accrued expenses	-	274	274	-	118	118
Convertible preference shares	-	-	-	-	1,000	1,000
Total financial liabilities	**-**	**954**	**954**	**-**	**1,655**	**1,655**

Financial risk factors. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk and interest rate risks which arises in the normal course of the Company and Group's business.

Credit risk

Financial instruments which potentially subject the Group to credit risk principally consist of cash and cash equivalents, and trade and other receivables. All cash and cash equivalents in New Zealand are held with high credit quality counterparties, being trading banks with "AA-" grade or better credit ratings, and "A+ to A+" grade in the USA. The Group does not require collateral or security from its trade receivables. The Group performs credit checks and continuously monitors the credit quality of its larger trade receivables and does not anticipate any non-performance of those customers. There were no impaired trade receivables.

Maximum exposure to credit risk at balance date

	Group 2015 $'000's	Group 2014 $'000's
Cash at bank	17,256	1,623
Receivables	713	403
Total	**17,969**	**2,026**

14. Financial instruments and financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group cannot pay contractual liabilities as they fall due. During the year the Company raised net cash of $22,762,395 from an Initial Public Offering and associated listing on the NZX Main Board. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's forward financing plans and commitments.

The Group has a cash balance as at 31 March 2015 of $17,255,950. Based on this cash position, together with:

- an expectation of increased sales in the 31 March 2016 year as a result of committed orders and a number of well advanced contract negotiations;
- the recent launch of new products to market; and
- the ability of the Group to manage its growth activities and hence associated costs,

the Group believes that it has sufficient liquidity to meet its obligations as they fall due for the next 12 months.

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

	2015 $'000's			2014 $'000's		
	Contractual cash flows	6 months or less	6-12 months	Contractual cash flows	6 months or less	6-12 months
Employee entitlements	117	-	117	101	-	101
Trade payables	563	563	-	436	436	-
Accrued expenses	274	274	-	118	118	-
Convertible loan	-	-	-	-	-	-
Total financial liabilities	**954**	**837**	**117**	**655**	**554**	**101**

Foreign currency risk management

The Group is exposed to foreign currency risk on its sales that are denominated in a currency other than the Group's functional currency. The foreign currency in which transactions are primarily denominated are U.S. dollars (USD). The Group currently does not hedge its exposures arising from its transactions denominated in a foreign currency.

At 31 March 2015, had the local currency strengthened / weakened by 10% the pretax profit would have been higher / (lower)

	+ 10%	-10%
US Dollar	$'000's	$'000's
Cash and cash equivalents	(33)	41
Trade and other receivables	(28)	34
Trade and other payables	12	(13)
Intercompany balance foreign exchange rate movement	(590)	721

14. Financial instruments and financial risk management (continued)

Liquidity risk (continued)

Interest rate risk management

The Groups interest rate risk arises from its cash balances. The Group currently has no significant exposure to interest rate risk other than the amount held at the bank.

15. Capital management

The capital structure of the Group consists of equity raised by the issue of ordinary shares in the Company. The Group manages its capital to ensure the entities in the Group are able to continue as going concerns. The Group is not subject to any externally imposed capital requirements.

The Group's aim is to maintain a sufficient capital base so as to maintain investor and creditor confidence and to sustain future development of the business.

The Group's strategy in respect of capital management is reviewed regularly by the Board of Directors. There have been no material changes in the Group's management of capital during the period.

16. Fair value estimation

The fair value of the Group's financial assets and liabilities does not materially differ from their carrying value.

The Company and Group have no financial instruments measured at fair value.

17. Commitments

	Group	
	2015 $'000's	2014 $'000's
Non-cancellable operating lease and branding fee payments		
Less than one year	813	351
Between one and five years	610	778
More than five years	-	-
	1,423	1,129

Operating leases are in relation to rented premises, computers and photocopiers and minimum royalty payments to GE Trademark Licensing, Inc.

18. Contingencies

The Company advises there are no contingencies.

Notes to the consolidated financial statements

19. Cash used in operations

	Year ended 31 March	
	Group	
	2015 $'000's	2014 $'000's
Loss for the year	(5,081)	(2,261)
Less investment interest received	(570)	-
Non-cash items included in net loss		-
Depreciation	96	41
Amortisation of intangible assets	711	322
Deferred tax expense	3	(24)
Share option expense	132	31
Foreign exchange gains/(losses)	(625)	158
	(253)	528
Add/(less) movement in working capital items		-
Decrease/(Increase) trade and other receivables	(310)	(207)
Decrease/(Increase) in inventories	(679)	2
Decrease/(Increase) in prepayments	(30)	(37)
Increase/(Decrease) in trade and other payables	283	100
Increase/(Decrease) in deferred revenue	140	403
Increase/(Decrease) in employee entitlements	16	15
Increase/(Decrease) in provisions	-	(4)
	(580)	272
Net cash used in operating activities	**(5,914)**	**(1,462)**

Notes to the consolidated financial statements

20. Basic and diluted earnings per share

Basic

	2015 $'000's	2014 $'000's
Total profit / (loss) for the year attributable to the owners of the parent	(5,081)	(2,261)
Ordinary shares issued	50,129,669	6,341,719
Earnings / (Loss) per share	$(0.14)	$(0.36)

The potential shares are anti-dilutive in nature. The loss per share is therefore the same as the undiluted EPS at ($0.14) and ($0.36) for the respective periods.

21. Share based payments

Share options are granted to directors and selected employees. Options outstanding at 31 March 2015 have a contractual life of three to five years. Options can be exercised at any time after vesting and unexercised options expire if the employee leaves the Group. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Options granted

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

	2015		2014	
	Average Exercise Price	Options ('000's)	Exercise Price	Options ('000's)
At 1 April	$0.73	1,620	$0.73	1,817
Granted	$0.98	2,300		-
Forfeited	$1.10	(60)	$0.65	(197)
Exercised	$0.65	(985)		-
	$0.84	**2,875**	**$0.65**	**1,620**

Out of the 2,874,996 outstanding options (2014: 1,620,000), 1,118,334 (2014: 1,443,750) were exercisable at 31 March 2015.

Options vested

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

			2015	2014	
Grant-vest	Expiry date 31 December	Options exercise price	Number of vested options $'000's	Number of vested options $'000's	Weighted average remaining term of options (years)
2008-11	2015	$0.65	512	1,356	0.92
2012-13	2015	$0.65	63	83	0.92
2012-13	2016	$0.80	13	5	2.76
2014	2017	$1.10	488	-	2.76
2014	2017	$0.99	42	-	2.76
2014	2017	$0.01	-	-	2.76
			1,118	**1,444**	**1.97**

21. Share based payments (continued)

Measurement of fair value

At 31 March 2015, the Company determined that, based on the Black Scholes valuation model; assuming actual low volatility over time and a stock volatility ranging between 10% to 30% depending on time of grant, that the weighted average fair value of share options granted ranged between $0.065 and $0.941.

Number of options granted ($'000's)	Fair value of each option	Total fair value vested options ($'000's)	Average exercise price ($'000's)	Share price	Risk free interest rate
610	$0.065	37	$0.65	$0.65	3.26%
25	$0.065	1	$0.80	$0.80	3.26%
1,830	$0.242	118	$1.10	$1.04	4.14%
260	$0.233	10	$0.99	$0.96	4.06%
150	$0.941	-	$0.01	$0.95	3.76%
2,875		**166**			

Options vested and exercised during year

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

Options Vested	Exercise Price		Number of Options
Vested at beginning of year	$0.65		1,444
Less exercised at IPO	$0.65		(785)
Less exercised during year	$0.65		(144)
Less Forfeited during year	$1.10		(10)
Add vested during year			
	$0.65	65	
	$0.80	8	
	$1.10	498	
	$0.99	42	
Vested during year			613
Vested at 31 March 2015			**1,118**
Staff			893
Directors			150
Advisors			75
Vested at 31 March 2015			**1,118**

Warrants

All warrants were converted into ordinary shares at the IPO in July 2014 and there are no warrants at 31 March 2015.

Notes to the consolidated financial statements

22. Related parties

Trademark license

The Company entered into a licensing and trademark agreement with GE Trademark Licensing, Inc. in December 2013 in exchange for the issue of 1.5m of convertible preference shares to General Electric Company. (refer to note 11). The convertible shares converted to ordinary shares upon the public listing in July 2014. No transactions have taken place during the 31 March 2015 year under this agreement.

Key management compensation	Group	
	2015 $'000's	2014 $'000's
Remuneration paid to directors during the year	204	NIL
Remuneration paid to senior management	1,393	998
Share option paid to directors	36	NIL
Share option paid to senior management	85	17

Key management are identified as the Chief executive officer, Chief technology officer, Chief financial officer, Chief marketing officer, VP global sales, Chief operating officer, (until November 2014), Head of software engineering (from November 2014), Head of Engineering (from December 2014), and the Directors.

23. Subsequent events

There were no events subsequent to balance date.

Comparison against Prospective Financial Information (PFI)

The PFI for the year ended 31 March 2015 formed part of the Company's Investment Statement and Prospectus, each dated 23 June 2014.

Consolidated statement of profit or loss and other comprehensive income vs PFI

	Note	Year ended 31 March Group Audited FY15A $'000's	Unaudited FY15F $'000's
Continuing operations			
Revenue and other income	1	4,026	6,460
Expenditure		(9,215)	(11,450)
Loss before depreciation, amortisation, financing and tax		**(5,189)**	**(4,990)**
Depreciation and amortisation		(807)	(782)
Foreign exchange (losses)/gains	2	625	-
Other expenses from IPO		(272)	(250)
Loss before financing and tax		**(5,643)**	**(6,022)**
Net finance income / (expenses)		565	692
Income tax (expense) / benefit		(3)	-
Loss attributable to owners of ikeGPS Group	3	**(5,081)**	**(5,330)**
Other comprehensive income / (loss)			
Exchange differences on translation of foreign operations	4	(640)	-
Comprehensive income / (loss)		**(5,721)**	**(5,330)**

Consolidated statements of changes in equity vs PFI

	Note	Year ended 31 March Group Audited FY15A $'000's	Unaudited FY15F $'000's
Opening balance at 1 April 2014		3,949	3,948
Comprehensive income/(loss)		(5,721)	(5,330)
Issue of ordinary shares		23,762	24,105
Share based payment reserve movement		132	60
Total transactions with owners		18,173	18,835
Balance at 31 March 2015		**(22,122)**	**(22,783)**

Consolidated balance sheet vs PFI

	Note	As at 31 March Group	
		Audited	Unaudited
		FY15A	FY15F
		$'000's	$'000's
ASSETS			
Current assets			
Cash and cash equivalents	5	17,256	18,344
Trade and other receivables		713	641
Prepayment		67	-
Inventory	6	827	323
Total current assets		**18,863**	**19,308**
Non-current assets			
Property, plant and equipment		523	609
Intangible assets		4,212	4,473
Deferred tax asset		21	-
Total non-current assets		**4,756**	**5,082**
Total assets		**23,619**	**24,390**
LIABILITIES			
Current liabilities			
Trade and other payables		837	1,133
Employee entitlements		117	153
Deferred revenue current	7	535	193
Total current liabilities		**1,489**	**1,479**
Non-current liabilities			
Deferred revenue non-current	7	8	128
Total non-current liabilities		**8**	**128**
Total liabilities		**1,497**	**1,607**
Total net assets		**22,122**	**22,783**
EQUITY			
Share capital		37,133	37,270
Share based payment reserve		166	301
Accumulated Losses		(15,200)	(15,449)
Foreign currency translation reserve		23	661
Total equity		**22,122**	**22,783**

Statements of cash flows vs PFI

		Year ended 31 March	
	Note	Group	
		FY15A	FY15F
Cash flows from operating activities		$'000's	$'000's
Cash receipts from customers and grants	8	3,856	6,050
Cash paid to suppliers and employees	9	(9,765)	(11,033)
Interest paid		(5)	-
Net cash used in operating activities		**(5,914)**	**(4,983)**
Cash flows from investing activities			
Purchases of property, plant and equipment		(520)	(610)
Additions to intangible assets		(1,250)	(1,483)
Interest received		570	692
Net cash used in investing activities		**(1,200)**	**(1,401)**
Cash flows from financing activities			
Proceeds from issuance of shares		22,762	23,105
Net cash from financing activities		**22,762**	**23,105**
Net increase/(decrease) in cash and cash equivalents		**15,648**	**16,721**
Cash and cash equivalents at 1 April		1,623	1,623
Effect of exchange rate fluctuations on cash held		(15)	-
Cash and cash equivalents at 31 March		**17,256**	**18,344**

Notes to the prospective financial information

1. Revenue and other income

GE Mapsight volumes were 75% of PFI due to the timing of the sales pipeline. Spike revenue was 30% of PFI due to a 90 day delay in full product launch. Government grant revenue was on track with PFI. Contracted services revenue was ahead of PFI and an additional $0.5M of contract services revenue, received as contracted, is deferred until the 2016 financial year.

2. Foreign exchange (losses)/gains

Total foreign exchange (FX) gain $0.625M is the result of the decline in USD during the year from 85c US in April 2014 to 74.7c in March 2015. PFI average FX rate was 84.15c US compared to average actual rate of 80.0c US, which resulted in unrealized FX gains from balance sheet asset accounts held in US such as debtors and bank.

3. Loss attributable to the owners of the Company

The loss attributable to the owners of the Company ($5.0M) were lower than the PFI losses ($5.3M). Expenses variance of $2.8M (actual $9.7M (PFI $12.5M)) was greater than the revenue variance $2.5M (actual $4.0M (PFI $6.5M)).

4. Exchange differences on translation of foreign operations

The foreign currency translation reserve loss of $0.64M relates to FX losses from translation of US subsidiary prior year retained earnings and current year net assets.

5. Cash and cash equivalents

Net cash $17.3M (PFI $18.3M) is $1.0M lower than PFI. Operating cash outflows $5.9M were $1M greater than PFI $4.9M from hiring of new staff, contractors employed on development work and higher levels of inventory. Lower investment cash outflows $1.2M (PFI $1.4M) are offset by higher financing cash outflows due to IPO final costs being $0.3M higher than PFI.

6. Inventory

Stocking levels of finished goods of Spike and GE MapSight are currently higher than PFI to meet forecast demand. In addition, the company acquired critical long-lead time components for both Spike and GE Mapsight to ensure supply of the product.

7. Deferred revenue

The PFI had presumed higher levels of GE MapSight maintenance, and $0.5M contract services revenue has been deferred until the 2016 financial year.

8. Cash receipts from customers and grants

Cash receipts from customers and grants ($3.9M (PFI $6.0M)) were down due to the delay in the full product launch of Spike and lower than forecast revenues for GE MapSight. Government grants were in line with PFI.

9. Cash paid to suppliers and employees

Cash paid to suppliers and employees $9.8M is lower than PFI $11.0M due to lower levels of direct selling costs, timing of recruiting the right staff and scaling the business (compared to timings assumed in the PFI).

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