

**PowerbyProxi**

**Financial Statements**

**For the year ended 31 March 2019**

---

# PowerbyProxi

## Contents

For the year ended 31 March 2019

---

	Page
Corporate information	3
Director's annual report	4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9-22
Auditor's report	23

## PowerbyProxi

### Corporate information

---

<b>Nature of business:</b>	Wireless power and charging solutions
<b>Company number:</b>	1967622
<b>Director:</b>	Mr. Fady Mishriki
<b>Registered office:</b>	c/o Simpson Grierson Level 27, 88 Shortland Street Auckland 1010 New Zealand
<b>Auditor:</b>	Deloitte Auckland

## PowerbyProxi

### Director's annual report For the year ended 31 March 2019

---

In the opinion of the Director of PowerbyProxi, the financial statements and notes, on pages 5 to 22:

- comply with New Zealand generally accepted accounting practice and present fairly the financial position of the group as at 31 March 2019 and the results of operations for the year ended on that date; and
- have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Director believes 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 Director considers that he has taken adequate steps to safeguard the assets of the group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

The Director is pleased to present the annual report including the financial statements of PowerbyProxi for the year ended 31 March 2019.



30th August 2019

---

Fady Mishriki  
Director

PowerbyProxi

**Statement of comprehensive income**  
For the year ended 31 March 2019

	Note	2019 \$	Group 2018 \$
Revenue	3	-	5,101,955
Cost of sales		-	(59,505)
Gross profit		-	5,042,450
Expenses from ordinary activities			
Selling and marketing expenses		-	(489,685)
Research & development expenses		-	(4,438,885)
General & administration expenses		(547,776)	(3,782,796)
Finance expenses		(6,060)	-
Other expenses		(185,197)	(491,507)
		<b>(739,033)</b>	<b>(9,202,873)</b>
Unrealised foreign exchange gain/ (loss)		-	(7,762,591)
Other income	3	<b>18,523,005</b>	248,717,567
<b>Profit before income tax</b>	4	<b>17,783,972</b>	236,794,553
Income tax (expense)	5	(5,032,576)	(1,835,800)
<b>Net profit for the year</b>		<b>12,751,396</b>	<b>234,958,753</b>
<b>Other comprehensive income (net of tax)</b>			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		11,172	(6,359)
<b>Total comprehensive income for the year</b>		<b>12,762,568</b>	<b>234,952,394</b>

This statement is to be read in conjunction with the notes to the financial statements.

## PowerbyProxi

### Statement of financial position

As at 31 March 2019

		Group	
	Note	2019	2018
		\$	\$
<b>Current assets</b>			
Cash at bank and on hand	9	5,560,921	2,857,605
Receivables	6	3,406	247,128,799
		<u>5,564,327</u>	<u>249,986,404</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	-	182,646
Intangible assets	8	-	-
		<u>-</u>	<u>182,646</u>
<b>Total assets</b>		<u><u>5,564,327</u></u>	<u><u>250,169,050</u></u>
<b>Current liabilities</b>			
Trade and other payables	10	-	946,008
Government grants	11	-	-
Income tax payable		40	1,829,045
		<u>40</u>	<u>2,775,053</u>
<b>Total liabilities</b>		<u><u>40</u></u>	<u><u>2,775,053</u></u>
<b>Equity</b>			
Contributed equity	12	5,513,581	29,497,692
Foreign currency translation reserve		50,706	39,534
Retained earnings (deficit)		-	217,856,771
<b>Total equity</b>		<u><u>5,564,287</u></u>	<u><u>247,393,997</u></u>
<b>Total equity and liabilities</b>		<u><u>5,564,327</u></u>	<u><u>250,169,050</u></u>

This statement is to be read in conjunction with the notes to the financial statements.

**PowerbyProxi**

**Statement of changes in equity**  
For the year ended 31 March 2019

	Contributed equity	Retained earnings (deficit)	Share based payment reserves	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
<b>Group</b>					
<b>Balance as at 1 April 2018</b>	29,497,692	217,856,771	-	39,534	247,393,997
Net profit (loss) for the year	-	12,751,396	-	-	12,751,396
Other comprehensive income (net of tax)	-	-	-	11,172	11,172
<b>Total comprehensive income for the year</b>	-	12,751,396	-	11,172	12,762,568
<b>Transactions with owners</b>					
Dividends paid	(23,984,111)	(230,608,167)	-	-	(254,592,278)
<b>Balance as at 31 March 2019</b>	5,513,581	-	-	50,706	5,564,287
<b>Balance as at 1 April 2017</b>	27,935,429	(18,795,631)	1,565,183	45,893	10,750,874
Net profit (loss) for the year	-	234,958,753	-	-	234,958,753
Other comprehensive income (net of tax)	-	-	-	(6,359)	(6,359)
<b>Total comprehensive income for the year</b>	-	234,958,753	-	(6,359)	234,952,394
<b>Transactions with owners</b>					
Warrants issued					
Expense for options vested in the financial year	-	-	283,775	-	283,775
Options forfeit	-	51,411	(51,411)	-	-
Options exercised (reversal from employee share option reserve)	-	1,797,547	(1,797,547)	-	-
Options exercised (cash contribution)	1,562,263	-	-	-	1,562,263
Dividends paid	-	(155,309)	-	-	(155,309)
<b>Balance as at 31 March 2018</b>	29,497,692	217,856,771	-	39,534	247,393,997

This statement is to be read in conjunction with the notes to the financial statements.

## PowerbyProxi

### Statement of cash flows For the year ended 31 March 2019

	Group	
	2019	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	-	7,847,037
Receipts from Grants	840,041	759,851
Payments to suppliers and employees	(952,615)	(8,977,403)
Taxation paid	(6,875,110)	38,457
<b>Net cash flows from (used in) operating activities</b>	<b>(6,987,684)</b>	<b>(332,059)</b>
<b>Cash flows from investing activities</b>		
Sales/(Purchases) of financial assets - term deposits	-	149,028
Purchase of Property, Plant and equipment	-	(325,679)
Purchase of intangibles	-	(846,056)
Interest received	7,860	13,838
Receipts from/(repayments to) related parties	9,608,887	643,307
Amounts advanced to related parties	-	(28,192)
Other dividends received	760	1,736
<b>Net cash flows from (used in) investing activities</b>	<b>9,617,507</b>	<b>(392,019)</b>
<b>Cash flows from financing activities</b>		
Proceeds from vesting of employee share options	-	1,562,263
Dividends paid	-	(155,309)
<b>Net cash flows from (used in) financing activities</b>	<b>-</b>	<b>1,406,954</b>
Net increase (decrease) in total cash	2,629,823	682,877
Effects of exchange rate changes on the balance of cash held in foreign currencies	73,493	(59,712)
Cash and cash equivalents at beginning of period	2,857,605	2,234,440
<b>Cash and cash equivalents at end of period</b>	<b>5,560,921</b>	<b>2,857,605</b>

This statement is to be read in conjunction with the notes to the financial statements.

# PowerbyProxi

## Notes to the financial statements For the year ended 31 March 2019

---

### 1 Corporate Information

PowerbyProxi (the "Company") is a Company incorporated and domiciled in New Zealand. The Company was formerly known as PowerbyProxi Limited as it was previously a Limited Liability Company. At 31 October 2017, PowerbyProxi became an Unlimited Liability Company. The address of the registered office is c/o Simpson Grierson, Level 27, 88 Shortland Street, Auckland 1010, New Zealand. The financial year end of the Company is March 31st. At the beginning of the financial year, the Company had a US Subsidiary, PowerbyProxi Inc. ("Subsidiary," and together with the Company, the "Group"). PowerbyProxi Inc was dissolved on 28 March 2019.

On 13 October 2017, all of the issued and outstanding shares of the Company were purchased by Peregrine Capital LLC, a Company incorporated under the laws of the State of Delaware, USA. In connection with the share purchase by Peregrine Capital LLC, the number of directors of the Company was reduced to one director by 31 March 2018.

The principal activities of the Company were those relating to provision of wireless power and charging solutions. The Company's operations were predominantly based in Auckland, New Zealand, with some operations in the United States. The Company has now ceased trading and is to be liquidated subsequent to balance date.

The immediate and ultimate holding companies of the Company are Peregrine Capital LLC and Apple Inc., respectively.

Related corporations in these financial statements refer to members of the Apple Inc. group of companies.

### 2 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.

#### a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Companies Act 1993 and Financial Reporting Act 2013. The financial statements have also been prepared on a historical cost basis, with the exception of certain assets and liabilities measured at fair value, as identified in specific accounting policies.

As explained in note 1, the entity has ceased trading during the reporting period. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the entity's assets to net realisable value. Requirement for provisions have been reviewed for any contractual commitments that may have become onerous at the end of the reporting period, no provisions have been made. The financial statements do not include any provision for the future costs of terminating the business of the entity except to the extent that such costs were committed at the end of the reporting period.

The Company and Group are designated as profit-oriented entities for financial reporting purposes. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless stated otherwise.

#### b) Statement of compliance

The consolidated financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). For the purposes of complying with NZ GAAP, the Company is a for-profit entity. The Company has adopted External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities update) (XRB A1). The Company qualifies for New Zealand Equivalent to International Financial Reporting Standards (Reduced Disclosure Regime) (NZ IFRS (RDR)) as it does not have public accountability and it is not a large for-profit public sector entity. The Company has elected to be a Tier 2 for-profit entity and has applied NZ IFRS (RDR) and associated disclosure concessions. These financial statements comply with New Zealand International Financial Reporting Standards Reduced Disclosure Regime.

#### c) New and amended standards and interpretations

Certain other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting period. These are not expected to have any material impact on the Company financial statements in subsequent reporting periods.

**Notes to the financial statements**  
For the year ended 31 March 2019

---

**2 Summary of Significant Accounting Policies (continued)**

**d) Significant accounting judgements, estimates and assumptions**

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 ongoing 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.

**e) Basis of consolidation**

The consolidated financial statements comprise the financial statements of PowerbyProxi and its Subsidiary as at and for the year ended 31 March 2019.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. An investor controls an investee when it 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. Thus, an investor controls an investee if and only if the investor has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed are measured at their acquisition date fair values. Acquisition-related costs are expensed as incurred and recognised in profit or loss.

The difference between the above items and the fair value of the consideration is recorded as either goodwill or discount on acquisition. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested annually for impairment, or immediately if events or changes in circumstances indicate that it might be impaired and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Any discount on acquisition is recognised immediately on acquisition to profit and loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated.

Non-controlling interests are allocated their share of comprehensive income after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

If the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of the entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean amounts previously recognised in other comprehensive income are reclassified to profit or loss.

**Notes to the financial statements**  
For the year ended 31 March 2019

---

**2 Summary of Significant Accounting Policies (continued)**

**f) Foreign currency translation**

*i) Functional and presentation currency*

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company and Group operates ('the functional currency'). These financial statements are presented in New Zealand dollars which is the Company and Group's presentation and functional currency.

*ii) Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance date. Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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 profit or loss.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Zealand dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions reused. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

**g) Property, plant and equipment**

All items of property, plant and equipment are recorded at cost less accumulated depreciation and impairment. Initial cost includes purchase consideration and those costs attributable to bringing the asset to the location and condition necessary for its intended use and the initial estimate of dismantling and removing the item and restoring the site on which it is located. Where an item is self constructed, its construction cost includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Subsequent expenditure relating to an item of property, plant and equipment is added to its gross carrying amount when such expenditure either increases the future economic benefits beyond its existing service potential, or is necessarily incurred to enable future economic benefits to be obtained, and if that expenditure would have been included in the initial cost of the item had it been incurred at that time. The carrying amount of any replaced part is derecognised.

All other repairs and maintenance expenditure is recognised in profit or loss as incurred.

Items of property, plant and equipment which are either under construction, or not commissioned, at balance date are recorded as capital work in progress.

Depreciation is calculated on a diminishing value over the estimated useful life of the asset. The residual value of assets is reviewed and adjusted if appropriate at each balance date. The following estimates have been used:

- Plant and machinery	10.0 - 80.4%
- Furniture and fittings	7.0 - 48.0%
- Computer equipment	36.0 - 60.0%

*Impairment*

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The write off value of property, plant and equipment in the current financial year was \$172,056 (2018: \$89,415).

**Notes to the financial statements**  
For the year ended 31 March 2019

---

**2 Summary of Significant Accounting Policies (continued)**

**h) Cash and cash equivalents**

Cash and short-term deposits in the statement of financial position comprise cash at bank, and in hand, short-term highly liquid investments with an original maturity of three months or less and bank overdrafts. Bank overdrafts are shown within interest bearing borrowings.

**i) Trade and other receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable, changes in credit quality and past default experience.

The impairment, and any subsequent movement including recovery, is recognised in profit or loss.

**j) Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the 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.

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

*i) Finance leases*

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

*ii) Operating leases*

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

**k) Interest revenue**

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**Notes to the financial statements**  
For the year ended 31 March 2019

---

**2 Summary of Significant Accounting Policies (continued)**

**l) Impairment of non-financial assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

**m) Contributed equity**

*(i) Ordinary shares*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

*(ii) Preference shares*

Preference shares are classified as equity. The preference shares are not convertible nor redeemable for cash, and distributions to preference shareholders is at the discretion of the Board. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**n) Other taxes**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**o) Income tax**

Current income tax for current and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognised for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities and for operating losses and tax credit carried forward. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets and liabilities are expected to be realised or settled.

**Notes to the financial statements**  
For the year ended 31 March 2019

---

2 Summary of Significant Accounting Policies (continued)

p) New adopted accounting policies

**NZ IFRS 15 Revenue from Contracts with Customers**

In July 2014, the NZASB issued a new standard in relation to revenue recognition and is effective for periods beginning on or after 1 January 2018. NZ IFRS 15 Revenue from contracts with Customers establishes a comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard supersedes the current revenue recognition guidance contained in NZ IAS 18, NZ IAS 11 and other relevant interpretations. The core principle of the standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in a manner that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services

As there is no revenue during the year the change in standard has deemed to have no material impact on the financial statements.

**NZ IFRS 9 Financial Instruments**

NZ IFRS 9 was issued in September 2014 and is effective for periods beginning on or after 1 January 2018. It is a comprehensive standard to replace NZ IAS 39, introduces new requirements for classification and measurement impairment and hedge accounting for financial assets and liabilities.

**NZ IFRS 9 Financial Instruments**

NZ IFRS 9 was issued in September 2014 and is effective for periods beginning on or after 1 January 2018. It is a comprehensive standard to replace NZ IAS 39, introduces new requirements for classification and measurement impairment and hedge accounting for financial assets and liabilities.

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 ('OCI') and fair value through profit and 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 OCI not recycling.

The standard has 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.

There were no reclassifications of financial assets or liabilities that had any impact on the Company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

There were no financial assets or financial liabilities which the Company had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Group has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Company has elected to designate as at FVTPL at the date of initial application of IFRS 9. Furthermore, the Company doesn't have any financial instrument to which the provision for hedge accounting shall apply.

## PowerbyProxi

### Notes to the financial statements For the year ended 31 March 2019

	Notes	Group	
		2019	2018
		\$	\$
<b>3 Revenue &amp; other income</b>			
Sale of goods		-	81,587
Sale of services		-	5,012,259
Royalty revenue		-	8,109
Total operating revenue		-	5,101,955
<i>Other income</i>			
Government grants		-	1,050,092
Gain on sale of intangibles		-	246,315,854
Foreign exchange gains - net		<b>13,907,318</b>	-
Finance and other income		<b>4,615,687</b>	1,351,621
		<b>18,523,005</b>	248,717,567
<b>4 Expenses</b>			
Profit before taxation includes the following expenses:			
Audit of the financial statements		<b>14,475</b>	34,000
Other assurance related services paid to the auditors		<b>8,000</b>	8,000
Amortisation of intangibles	8	-	388,341
Depreciation	7	<b>10,591</b>	146,479
Directors' fees		-	75,000
Rental and operating lease expenses		<b>227,361</b>	465,004
Employee benefits		-	5,061,042
Defined Contribution plan expense		-	51,803
Share based payment expenses		-	283,775
Unrealised Foreign exchange (gains)/losses		-	7,762,591
Realised Foreign exchange (gains)/losses		<b>(13,907,318)</b>	68,821
Finance expenses		<b>6,060</b>	-
Loss on disposal of inventory and property, plant and equipment		<b>172,056</b>	407,636
Engineering materials and testing		-	273,991

## PowerbyProxi

### Notes to the financial statements For the year ended 31 March 2019

	Group	
	2019	2018
<b>5 Income tax</b>	<b>\$</b>	<b>\$</b>
<b>Statement of comprehensive income</b>		
<i>Current income tax</i>		
Current income tax charge	5,032,576	1,835,800
Adjustments in respect of previous years	-	-
	5,032,576	1,835,800
<i>Deferred income tax</i>		
Origination and reversal of temporary differences	-	-
Deferred R&D expenditure claimed	-	-
Income tax expense reported in the statement of comprehensive income	5,032,576	1,835,800

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

Accounting profit (loss) before income tax	17,783,971	236,794,553
At the statutory income tax rate of 28% (2018: 28%)	4,979,512	66,302,475
- Permanent differences	53,064	(61,209,027)
- Future income tax benefit, not recognised	-	-
- Realisation of prior unrecognised deferred tax	-	(3,257,648)
- Utilisation of tax losses	-	-
	5,032,576	1,835,800

	Notes	Group	
		2019	2018
<b>6 Receivables</b>		<b>\$</b>	<b>\$</b>
Trade receivables		-	321,894
Accrued Revenue		-	448,987
GST & Tax receivable		3,406	6,575
Related party receivables	13(c)	-	246,351,343
Total receivables		3,406	247,128,799

## PowerbyProxi

### Notes to the financial statements For the year ended 31 March 2019

	Group			
7 Property, plant and equipment	2019	2018		
	\$	\$		
<b>Carrying amounts of:</b>				
Plant & equipment	-	-		
Furniture & fittings	-	182,646		
Computer equipment	-	-		
	<u>-</u>	<u>182,646</u>		
	-	182,646		
	<b>Plant &amp; equipment</b>	<b>Furniture &amp; fittings</b>	<b>Computer equipment</b>	<b>Total</b>
<b>Cost</b>				
At 1 April 2018	-	268,632	-	268,632
Additions	-	-	-	-
Disposals - net	-	(268,632)	-	(268,632)
Closing cost as 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
<b>Accumulated depreciation and impairment</b>				
At 1 April 2018	-	(85,986)	-	(85,986)
Depreciation	-	(10,591)	-	(10,591)
Disposals	-	96,577	-	96,577
Closing accumulated depreciation as 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
<b>Cost</b>				
At 1 April 2017	748,922	221,356	510,400	1,480,678
Additions	134,978	77,282	113,419	325,679
Disposals - net	(883,900)	(30,006)	(623,819)	(1,537,725)
Closing cost as 31 March 2018	<u>-</u>	<u>268,632</u>	<u>-</u>	<u>268,632</u>
	-	268,632	-	268,632
<b>Accumulated depreciation and impairment</b>				
At 1 April 2017	(299,706)	(71,107)	(419,658)	(790,471)
Depreciation	(75,013)	(29,097)	(42,369)	(146,479)
Disposals	374,719	14,218	462,027	850,964
Closing accumulated depreciation as 31 March 2018	<u>-</u>	<u>(85,986)</u>	<u>-</u>	<u>(85,986)</u>
	-	(85,986)	-	(85,986)

PowerbyProxi

Notes to the financial statements  
For the year ended 31 March 2019

8 Intangibles	Group					2018 \$
	2019 \$					
<b>Carrying amounts of:</b>						
Platform technology development	-	-	-	-	-	-
Platform technology WIP	-	-	-	-	-	-
Patents	-	-	-	-	-	-
Licenses	-	-	-	-	-	-
Computer software	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>* Platform technology development</b>	<b>* Platform technology WIP</b>	<b>Patents</b>	<b>Licenses</b>	<b>Computer software</b>	<b>Total</b>
<b>Cost</b>						
At 1 April 2018	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals - net	-	-	-	-	-	-
Closing at 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated amortisation</b>						
At 1 April 2018	-	-	-	-	-	-
Amortisation	-	-	-	-	-	-
Disposals - net	-	-	-	-	-	-
Closing at 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cost</b>						
At 1 April 2017	4,292,991	132,952	2,339,602	1,373,076	630,568	8,769,189
Additions	-	-	700,919	12,002,843	43,600	12,747,362
Disposals - net	(4,292,991)	(132,952)	(3,040,521)	(13,375,919)	(674,168)	(21,516,551)
Closing at 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated amortisation</b>						
At 1 April 2017	(3,066,433)	-	(14,257)	(57,790)	(412,860)	(3,551,340)
Amortisation	(327,705)	-	-	-	(60,636)	(388,341)
Disposal - Net	3,394,138	-	14,257	57,790	473,496	3,939,681
Closing at 31st March 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\* Internally Generated Intangible Assets

## PowerbyProxi

### Notes to the financial statements For the year ended 31 March 2019

---

	Notes	Group 2018 \$	2017 \$
<b>9 Cash at bank and on hand</b>			
Cash at bank - New Zealand dollar balances		5,560,921	717,381
Cash at bank - foreign currency balances		-	1,991,196
Short term deposits		-	149,028
		<u>5,560,921</u>	<u>2,857,605</u>
<b>10 Trade and other payables</b>			
Trade payables		-	162,350
Accrued expenses		-	38,758
Related party payables	13(c)	-	744,900
Total trade and other payables		<u>-</u>	<u>946,008</u>
For terms and conditions of related party balances please refer to note 15(e).			
<b>11 Government grants</b>			
At 1 April		-	342,500
Released to other income	3	-	(342,500)
At 31 March		<u>-</u>	<u>-</u>

**PowerbyProxi**

**Notes to the financial statements**  
For the year ended 31 March 2019

12 Equity	2019 \$	2018 \$	2019 Shares	2018 Shares
<i>Ordinary shares</i>				
Share capital at beginning of year	1,572,034	9,771	18,819,081	13,193,334
Shares issued during the year for employee share options		1,562,263	-	4,994,846
Shares issued during the year for warrant options		-	-	630,901
Share capital at end of year	<u>1,572,034</u>	<u>1,572,034</u>	<u>18,819,081</u>	<u>18,819,081</u>
<i>Series A preference shares</i>				
Share capital at beginning of year	1,400,000	1,400,000	7,540,796	7,540,796
Shares issued during the year		-	-	-
Share capital at end of year	<u>1,400,000</u>	<u>1,400,000</u>	<u>7,540,796</u>	<u>7,540,796</u>
<i>Series B preference shares</i>				
Share capital at beginning of year	5,000,000	5,000,000	10,971,155	10,971,155
Shares issued during the year		-	-	-
Transferred from Series B Redeemable preference		-	-	-
Share capital at end of year	<u>5,000,000</u>	<u>5,000,000</u>	<u>10,971,155</u>	<u>10,971,155</u>
<i>Series C preference shares</i>				
Share capital at beginning of year	10,952,452	10,952,452	12,268,867	12,268,867
Shares issued during the year		-	-	-
Share capital at end of year	<u>10,952,452</u>	<u>10,952,452</u>	<u>12,268,867</u>	<u>12,268,867</u>
<i>Series D preference shares</i>				
Share capital at beginning of year	10,573,206	10,573,206	7,270,013	6,842,722
Shares issued during the year		-	-	427,291
Capital raise costs taken to equity		-	-	-
Share capital at end of year	<u>10,573,206</u>	<u>10,573,206</u>	<u>7,270,013</u>	<u>7,270,013</u>
Dividend Declared	(23,984,111)		-	-
<b>Total share capital at end of year</b>	<u><b>5,513,581</b></u>	<u><b>29,497,692</b></u>	<u><b>56,869,912</b></u>	<u><b>56,869,912</b></u>

All classes of share have no par value and have the following rights attached:

a) *Ordinary shares*

Authorised shares at 31 March 2019: 18,819,081 shares (2018: 18,819,081 shares)  
One vote on a poll at a meeting of the Company on any resolution:  
An equal share in distributions (including dividends) approved by the Board of Directors; and  
An equal share in distribution of the surplus assets of the Company on dissolution, subject to any preference held by redeemable or preferential shareholders

b) *Series A preference shares*

One vote on a poll at a meeting of the Company on any resolution:  
An equal share in distributions (including dividends) approved by the Board of Directors; and  
Preference on liquidation over ordinary shares and after series D, C and B preference shares.

c) *Series B preference shares*

One vote on a poll at a meeting of the Company on any resolution:  
An equal share in distributions (including dividends) approved by the Board of Directors; and  
Preference on liquidation over ordinary shares, series A preference shares and after series C preference shares.

d) *Series C preference shares*

One vote on a poll at a meeting of the Company on any resolution:  
An equal share in distributions (including dividends) approved by the Board of Directors; and  
Preference on liquidation over ordinary shares, series A preference shares and series B preference shares.

## PowerbyProxi

### Notes to the financial statements For the year ended 31 March 2019

#### 12 Equity (continued)

##### e) Series D preference shares

One vote on a poll at a meeting of the Company on any resolution:

An equal share in distributions (including dividends) approved by the Board of Directors; and

Preference on liquidation over ordinary shares, series A preference shares, series B preference shares and series C preference shares.

#### 13 Related parties

##### a) Ultimate holding Company

The ultimate holding company of the Group is Apple Inc. Peregrine Capital LLC is the direct sole shareholder of PowerbyProxi and continues to be the direct sole shareholder to the present date.

##### b) Subsidiaries

As at the 31st March 2019 there were no subsidiaries - PowerbyProxi Inc previously a subsidiary of PowerbyProxi Ltd (the Parent) was dissolved in March 2019.

Name	Balance date	2019	2018	2019	2018
PowerbyProxi Inc.	31 March	-	100%	-	1

##### c) Transactions with related parties

Due to the share acquisition event on 13 October 2017, there was a change in related parties prior to and post this date. As all parties who were shareholders at some point during the 2018 financial year are classified as related parties per NZ IAS 24, all transactions during the financial year and closing balances as at 31 March 2018 for all related parties have been disclosed, irrespective of timing.

Group		Sales to related parties	Purchases from related parties	Licences paid to related parties	Amounts recharged to/(from) related parties	Amounts owed to related parties	Amounts owed by related parties
Apple Inc.	2019	4,606,828	-	-	-	-	-
	2018	269,741,701	-	-	379,729	(600,000)	245,574,627
Shareholders and other related	2019	-	-	-	-	-	-
	2018	776,716	240,000	12,187,069	-	(144,900)	776,716
Total	2019	4,606,828	-	-	-	-	-
	2018	270,518,417	240,000	12,187,069	379,729	(744,900)	246,351,343

##### d) Terms and conditions of transactions with related parties.

There were no balances owed at year end.

## PowerbyProxi

### Notes to the financial statements For the year ended 31 March 2019

---

#### 14 Financial risk management objectives and policies

The Group's principal financial instruments comprise cash at bank, receivables and payables.

	Group	
	2019	2018
<b>Financial assets</b>	\$	\$
Cash & term deposits	5,560,921	2,857,605
Loans and receivables	-	247,122,223
	<u>5,560,921</u>	<u>249,979,828</u>
<b>Financial liabilities</b>		
Amortised cost (including payables and deferred grant income)	-	946,008
	<u>-</u>	<u>946,008</u>

## Independent Auditor's Report

### To the Shareholder of PowerbyProxi

#### Opinion

We have audited the financial statements of PowerbyProxi and its subsidiary ("the Group"), which comprise the statement of financial position as at 31 March 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 5 to 22, present fairly, in all material respects, the financial position of the Group as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR').

#### 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, we have no relationship with or interests in the Company, except that partners and employees of our firm deal with the Company and its subsidiary on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiary.

#### Emphasis of matter – Basis other than going concern

Without qualifying our opinion, we draw your attention to note 1 which confirms the company ceased trading during the year and is to be liquidated subsequent to balance date. Accordingly as disclosed in note 1, the financial statements have been prepared on other than a going concern basis and in accordance with the accounting policies outlined in note 2a).

#### Director's responsibilities for the consolidated financial statements

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

In preparing the consolidated financial statements, the director is 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 director 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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement

resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Where the consolidated financial statements have been prepared using the going concern basis, conclude on the appropriateness of the use of the going concern basis of accounting by the director and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Where the consolidated financial statements have been prepared on a basis other than going concern, consider if the other basis of accounting used by the director is appropriate in the specific circumstances and if the consolidated financial statements contain the necessary disclosures. If we conclude that the preparation of the consolidated financial statements on a basis other than going concern is appropriate, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

#### **Restriction on use**

This report is made solely to the Company's shareholder, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company's shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

*Deloitte Limited*

Auckland, New Zealand  
30 August 2019