FUJIFILM Business Innovation New Zealand Limited
(formerly known as Fuji Xerox New Zealand Limited)

Annual Financial Statements

For the year ended 31 March 2021

Contents of Financial Statements

For the year ended 31 March 2021

FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited)

Company Directory

As at 31 March 2021

Directors	Peter Thomas (Ceased 20 August 2021) Graham Cook Yujiro Nagasawa Mutsuki Tomono Ken Sugiyama Jin Chiew Leong Shigenobu Inenaga (appointed 20 July 2020)
Company number	65813
Registered office	79 Carlton Gore Road Newmarket Auckland New Zealand
Shareholder	FUJIFILM Business Innovation Asia Pacific Pte. Ltd. 199,343,500 shares
Principal Activities	Provision of document management solutions to our clients. There have been no changes in the main activity during the year.
Dividends	For the year ending 31 March 2021, the Company did not authorise or declare a dividend (2020: Nil).
Exemptions	No disclosures have been made in respect of Section 211 (1) (a) and (e) to (j) of the Companies Act 1993 following a unanimous decision by the shareholder in accordance with Section 211 (3) of the Act. There are no other disclosures required in accordance with Section 211 (1) of the Companies Act 1993.
Auditor	KPMG 18 Viaduct Harbour Avenue Auckland

FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited)

Directors' Responsibility Statement

For the year ended 31 March 2021

Approval and issue of financial statements

The Directors are pleased to present the Financial Statements of FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited) (the 'Company') for the year ended 31 March 2021.

The Directors are responsible for ensuring that the Financial Statements fairly present the financial position of the Company as at 31 March 2021 and the financial performance and cash flows for the year ended on that date.

The Directors consider that the Financial Statements of the Company have been prepared using accounting policies appropriate to the Company, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors consider that all applicable New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR') and other applicable Financial Reporting Standards as appropriate for profit-oriented entities have been applied.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the Financial Statements with the Financial Reporting Act 2013.

The Directors have responsibility for the maintenance of a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

This Directors' Responsibility Statement and the Financial Statements are dated 27 August 2021.

For and on behalf of the Board

Graham Cook

Director

Director

Yujiro Nagasawa

FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited)

Statement of Financial Position

As at 31 March 2021

	Note	2021 NZ$'000	2020 NZ$'000
Current assets			
Cash and cash equivalents		2,094	5,427
Inventories	12	31,494	24,172
Trade and other receivables	13	17,123	15,804
Lease receivables	14	-	13
Intercompany trade receivables	23	6,288	-
Total current assets		**56,999**	**45,416**
Non-current assets			
Property, plant and equipment	16	6,326	7,002
Software	17	86	320
Lease receivables	14	173	684
Right-of-use assets	14	27,233	29,844
Other receivables	13	29	64
Total non-current assets		**33,847**	**37,914**
Total assets		**90,846**	**83,330**
Current liabilities			
Trade and other payables	21	18,330	13,920
Lease liabilities	14	5,801	5,499
Borrowings	19	22,137	-
Intercompany trade payables	23	-	11,433
Total current liabilities		**46,268**	**30,852**
Non-current liabilities			
Other payables	21	1,115	827
Lease liabilities	14	28,628	32,156
Total non-current liabilities		**29,743**	**32,983**
Total liabilities		**76,011**	**63,835**
Net assets		**14,835**	**19,495**
Equity			
Issued capital	20	398,687	398,687
Accumulated deficit		(383,852)	(379,192)
Total equity		**14,835**	**19,495**

These financial statements are to be read in conjunction with the accompanying notes.

FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited)

Statement of Comprehensive Income

For the year ended 31 March 2021

	Note	2021 NZ$'000	2020 NZ$'000
Revenue	6	128,523	149,455
Cost of sales		(48,718)	(52,916)
Gross profit		**79,805**	**96,539**
Distribution expenses		(9,526)	(9,445)
Administrative expenses	8	(63,357)	(55,077)
Restructuring expenses	8	(2,215)	(217)
Other operating expenses	8	(20,564)	(28,492)
Operating (loss)/profit before financing costs		**(15,857)**	**3,308**
Other income/(expenses)	7	11,524	(49)
Interest income	10	117	374
Interest expense	10	(863)	(5,518)
Net finance costs		**(746)**	**(5,144)**
Loss before tax		**(5,079)**	**(1,885)**
Income tax benefit	11	419	423
Loss for the year		**(4,660)**	**(1,462)**
Profit/(loss) from discontinued operations		-	-
Total comprehensive loss for the year		**(4,660)**	**(1,462)**

These financial statements are to be read in conjunction with the accompanying notes.

FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited)

Statement of Cash Flows

For the year ended 31 March 2021

	Note	2021 NZ$'000	2020 NZ$'000
Loss after tax		**(4,660)**	**(1,462)**
Adjustments to reconcile profit/(loss) before tax to net operating cash flows:			
Depreciation and impairment of property, plant and equipment	16	2,396	3,077
Depreciation on right-of-use assets	14	5,458	5,266
Amortisation and impairment of software	17	228	365
Inventory write-off	12	351	1,307
Movements in inventory provision	12	(144)	(786)
Movements in bad debt provision	13, 14 & 15	(1,970)	4,559
Movements in other provisions, accruals and pensions		2,011	(1,747)
Gain/(loss) on disposal of property, plant and equipment	7	(329)	(43)
Interest income	10	(117)	(374)
Interest expense	10	863	5,518
Working capital adjustments:			
Decrease in trade receivables and prepayments		623	5,011
Decrease in lease receivables		587	822
Increase in inventories		(7,529)	(1,213)
Decrease in trade and other payables		2,667	(5,846)
(Decrease)/increase in right-of-use assets		(2,847)	2,196
(Increase)/decrease in lease liabilities		2,312	(7,953)
Decrease in net intercompany payables		(17,722)	(186,294)
(Increase)/decrease in loan receivable		-	971
Interest received	10	117	374
Interest paid	10	(842)	(5,524)
Net cash flows from operating activities		**(18,547)**	**(181,776)**
Investing activities			
Proceeds from sale of property, plant and equipment		2,228	1,005
Purchase of property, plant and equipment	16	(3,614)	(2,360)
Net cash flows from investing activities		**(1,386)**	**(1,355)**
Financing activities			
Proceeds from issue of shares	20	-	367,287
Proceeds from borrowings	19	22,137	-
Repayments of borrowings	19	-	(186,700)
Principal elements of lease payments		(5,537)	4,652
Net cash flows from financing activities		**16,600**	**185,239**
Net increase/(decrease) in cash and cash equivalents		**(3,333)**	**2,108**
Cash and cash equivalents at 1 April		5,427	3,319
Cash and cash equivalents at 31 March		**2,094**	**5,427**

These financial statements are to be read in conjunction with the accompanying notes.

FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited)

Statement of Changes in Equity

For the year ended 31 March 2021

	Note	Share Capital NZ$'000	Retained Earnings NZ$'000	Total NZ$'000
Balance at 1 April 2019		**31,400**	**(374,963)**	**(343,563)**
Impact of adoption of NZ IFRS 16 - *Leases*			(2,767)	(2,767)
Loss for the year		-	(1,462)	(1,462)
Total comprehensive income for the year		**-**	**(1,462)**	**(1,462)**
Equity contributions (net of transaction costs)	20	367,287	-	367,287
Balance at 31 March 2020		**398,687**	**(379,192)**	**19,495**
Balance at 1 April 2020		**398,687**	**(379,192)**	**19,495**
Loss for the year		-	(4,660)	(4,660)
Total comprehensive income for the year		**-**	**(4,660)**	**(4,660)**
Equity contributions (net of transaction costs)	20	-	-	-
Balance at 31 March 2021		**398,687**	**(383,852)**	**14,835**

These financial statements are to be read in conjunction with the accompanying notes.

1. Reporting entity

FUJIFILM Business Innovation New Zealand Limited (the 'Company'), formerly known as Fuji Xerox New Zealand Limited is a company domiciled in New Zealand and registered under the Companies Act 1993. The Company is involved in the business of providing document management solutions.

The Company's immediate parent company is FUJIFILM Business Innovation Asia Pacific Pte. Ltd. and its ultimate parent company is FUJIFILM Holdings Corporation.

2. Statutory base

The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its Financial Statements comply with that Act.

The financial statements of the Company are for the year ended 31 March 2021. The financial statements were authorised for issue by the Directors as dated in the Directors' Responsibility Statement. The Company's owners do not have the power to amend these financial statements once issued.

2.1. Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The Company is a for-profit entity for the purposes of complying with NZ GAAP. The financial statements comply with New Zealand equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS RDR. XRB A1 sets out which suite of accounting standards entities must follow.

The Company is eligible and has elected to report in accordance with Tier 2 For-profit Accounting Standards (NZ IFRS RDR) on the basis that the Company has no public accountability and is not a large for-profit public sector entity. In applying NZ IFRS RDR, the Company has applied a number of disclosure concessions.

2.2. Basis of measurement

The financial statements have been prepared on the historical cost basis except financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of NZ IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in NZ IAS 2 or value in use in NZ IAS 36.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated.

2.3. Going concern

As at 31 March 2021, the Company has reported a loss of $4.7 million, net current assets of $10.7 million and a positive equity of $14.8 million.

The immediate parent, FUJIFILM Business Innovation Asia Pacific Pte. Ltd., and an intermediate parent, FUJIFILM Business Innovation Corp, have provided continuing letters of support to the Company. These letters of support provide commitment of financial assistance to the Company, if necessary, to ensure the Company can meet its debts as they fall due.

These letters also include a commitment to provide financial assistance to FUJIFILM Leasing New Zealand Limited. The recoverability of intercompany balances held with FUJIFILM Leasing New Zealand Limited is contingent upon the support from their parent company, FUJIFILM Business Innovation Asia Pacific Pte. Ltd.

The considered view of the directors is that, after making due enquiry, there is a reasonable expectation the Company has adequate resources to continue operations at existing levels for the foreseeable future including a period of at least 12 months from the date the financial statements were authorised for issue. Accordingly, the financial statements have been prepared on a going concern basis.

3. Significant changes in the current reporting period

The financial position of the Company was particularly affected by the following events and transactions during the reporting period:

On 11 March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. To combat the spread of the virus in New Zealand, the New Zealand Government moved the country into a full lockdown of non-essential services from Wednesday 25 March 2020 – Monday 27 April 2020 which impacted the operations of the Company. As the rate of virus spread in New Zealand slowed, lockdown measures eased between Tuesday 28 April 2020 and Tuesday 12 May 2020 allowing for more trading activity to resume.

As such, the Company was significantly affected during the first quarter of the financial year. However financial performance has subsequently normalised as lockdown measures were lifted. Management have assessed the impact of COVID-19 on all aspects of the balance sheet. Specifically, the carrying value of receivables was considered, with provisioning reflecting management's best estimate of the impact based on information available at the time of preparing these financial statements. There has been no material impact on the balance sheet.

As a result of COVID-19, revenues decreased by more than 30% compared to the same period in the financial year ended 31 March 2020 which meant the Company was eligible to apply for the Wage Subsidy Scheme provided by the New Zealand Government. The Company received a total subsidy of $3,708,533 in April 2020, which was all paid to employees. The Company will continue to monitor the impact of COVID-19 both locally and globally.

4. Significant accounting policies

4.1. Recent accounting guidance

During the current year the Company applied all new and revised NZ IFRSs and Interpretations of NZ IFRSs ("INT NZ IFRSs") issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the accounting period.

The significant accounting policies which are pervasive throughout the financial statements are set out below. Other significant accounting policies which are specific to certain transactions or balances are set out within the particular note to which they relate.

4.2. Functional currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and position of the Company are expressed in New Zealand Dollars, which is the functional currency of the Company and the presentation currency for the financial statements.

Foreign currency transactions are translated into local currency using the exchange rates 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 comprehensive income.

4.3. Revenue recognition

4.3.1. Revenue from customers' contracts

A contract from which revenue can be generated is considered to exist if collection of consideration is probable, rights to goods or services and payment terms can be identified, parties are committed to their obligations and the contract has commercial substance.

Revenue from contracts with customers is measured at the fair value of the consideration received or receivable and is reduced for estimated customer returns, rebates and other similar allowances. The Company classifies performance objectives within contracts as either point in time or over time in accordance with NZ IFRS 15 - *Revenue from contracts with customers.*

For the vast majority of arrangements recognised over time, the Company elects to use the "right to invoice" practical expedient. As a result, the Company recognises revenue at the invoice amount (which corresponds directly with the value to the customer of the Company's performance completed to date) when the Company has a right to invoice a customer.

For performance obligations recognised at a point in time, the Company recognises revenue when the entity satisfies the performance obligation i.e. control of the goods or services has been transferred to the customer. For most arrangements, control of the goods transfers to the Company's customers at a point in time when the goods have been made available in accordance with companies shipping or installation terms and other relevant factors. The following relevant factors are considered in the determination of when control of goods transfers to the customer:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

For more information, refer to Note 6.

4.3.2. Interest income

Interest income is recorded using the Effective Interest Rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive income.

4.4. Leases

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

4.4.1. Company as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of leases.

Rental income from operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Revenue relating to lease arrangements involves significant judgement as to whether the arrangement should be accounted for as a sales-type finance lease or as an operating lease. In particular, the Company sells its equipment often under bundled lease arrangements, which typically include the equipment, maintenance service, and a financing component for which the customer pays a single negotiated monthly price for all elements over the contractual lease term. Recognising revenues under these arrangements requires the Company to allocate the total consideration received to the lease and non-lease deliverables included in the bundled arrangement, based upon the estimated fair values of each element. In addition, the Company offers a range of customer contract types, some of which are specifically tailored to individual customer requirements, and judgement has to be made as to the nature of the lessor lease arrangement.

4.4.2. Company as a lessee

The Company recognises lease liabilities, measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rates as of 1 April 2019 for leases entered into on or before 1 April 2019. Leases entered into subsequent to 1 April 2019 were discounted using the incremental borrowing for the respective month the lease was entered into.

The weighted average lessee's incremental borrowing rates applied to the lease liabilities recognised on the statement of financial position was 1.68% for property premises and 4.34% for vehicles.

The Company recognised corresponding right-of-use assets which have been calculated from the inception of the leases.

4.5. Interest expense

Interest costs are expensed in the period in which they occur. Interest expenses consist of interest that the company incurs in connection with the financing of funds.

4.6. Income Tax

4.6.1. Current Tax

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

4.6.2. Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised to the extent taxable profit is probable for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.

4.7. Goods and services tax (GST)

Revenue, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST) except:

- Where the amount of GST incurred is not recovered from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST (the net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables).

4.8. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.9. Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line or diminishing value methods. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Leasehold improvements	3 - 12 Years	Equipment held for rental	1 - 5 Years
Plant and equipment	1 - 12 Years		

4.10. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Software is amortised over a period of 3 to 5 years.

4.11. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments are classified into the following specified categories: ‘fair value through profit or loss' (FVPL), ‘fair value through other comprehensive income' (FVOCI) and 'at amortised cost'. The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

4.11.1. Financial assets

The company’s financial assets consist of cash and short term deposits, trade receivables, lease receivables, and intercompany trade receivables.

4.11.1.1. Financial assets - Cash and short term deposits
Cash and short-term deposits comprise cash at bank and on hand and short term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

4.11.1.2. Financial assets - Trade and other receivables
Trade receivables are non-derivative financial assets and measured at amortised cost less impairment. Impairment of trade receivables is recorded through a loss allowance account (bad debt provision). The amount of the loss allowance is based on the simplified Expected Credit Loss (ECL) approach which involves the Company estimating the lifetime ECL at each balance date. The lifetime ECL is calculated using a provision matrix based on historical credit loss experience and adjusted for forward looking factors specific to the debtors and the economic environment.

4.11.1.3. Financial assets - Related party receivables
Related party receivables are measured at amortised cost. The company does not expect any credit loss on related party receivables.

4.11.1.4. Financial assets - Loan receivables
Loan receivables are measured at amortised cost less any provision.

4.11.1.5. Financial assets - Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

4.11.1.6. Financial assets - Impairment of Financial Assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and lease receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable or lease receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

4.11.2. Financial liabilities and equity instruments

4.11.2.1. Financial liabilities and equity instruments - Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

4.11.2.2. Financial liabilities and equity instruments - Financial liabilities
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables and loans and borrowings including bank overdrafts, and lease liabilities. Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

4.11.2.3. Financial liabilities and equity instruments - Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4.12. Impairment expense

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or categories of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Typically, the Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

5. Use of accounting estimates and judgements

In the application of the company's accounting policies the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

5.1. Lessor accounting

The Company provides both finance and operating leases to customers in a lessor capacity. The Company applies the criteria in NZ IFRS 16 - *Leases* in making this distinction. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. This assessment considers factors such as the lease term, economic life of the underlying asset and purchase options (if any). All other leases are classified as operating leases. The recognition of revenue under operating leases and finance leases is disclosed in note 4.4.

5.2. Provision for doubtful debts

In determining the financial result for the period the Company makes certain judgements regarding the collectability of accounts receivable. In making these judgements the Company considers factors such as the debtor's payment history, the level of security held, recent trading performance and the likely timing and level of future payments. The Company establishes provisions based on reasonable estimates after considering the above factors.

The Company has further considered the impact of COVID-19 on the collectability of accounts receivable. The mandatory lockdown imposed by the New Zealand government during the year prohibited all non-essential businesses from operating. During this period, enquiries were made by customers regarding payment relief. Various initiatives, such as payment deferrals, have been offered to customers.

The Company has estimated the effect of these initiatives and the continuing impact of disruptions to businesses on its account receivables. Customers have been assessed by their industry category and the corresponding percentage of write-downs made during the year ended 31 March 2021 to determine the appropriate provision. The methodology used to calculate this provision is consistent with the methodology used to calculate the general provision for trade and lease receivables.

5.3. Consumables at customers

The Company provides consumables that are held at customer's premises and the Company retains the legal right over these assets until they are used by the customer. In determining the value of consumables inventory, the Company makes certain judgements and estimates in respect of the quantity of inventory held at customer premises. This is done in order to estimate the carrying value of these assets.

6. Revenue

Revenue consists of proceeds derived from two sources. These are revenue from contracts with customers and revenue from leases.

		2021	2020
Revenue:		**NZ$'000**	**NZ$'000**
Total revenue from contracts with customers	Note 6.1	68,866	86,639
Total revenue from leases		59,657	62,816
Total revenue		**128,523**	**149,455**

6.1. Revenue from contracts with customers

Revenue from contracts with customers consist of the following:

Service and Maintenance revenue

Service and Maintenance is revenue generated from services provided to customers alongside machine and rental purchases. These services include, but are not limited to installation services, remote and online services, equipment repair & maintenance, consumables and device disposal services. These agreements are considered to consist of a single performance obligation to provide standby services and maintenance as the obligation to provide individual services is not separately identifiable from other promises in the contract, and therefore not distinct. Revenue is generally recognised over time, because of the following:
- The customer simultaneously receives and consumes the benefits provided by the Company as it performs; and/or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Enterprise Consulting - Services revenue

Enterprise Consulting services revenue is an array of services or supply of goods across office services, document outsourcing and communication services and business processing services. Revenue can be recognised at either point in time or over-time depending on the service offered and the performance obligation being met.

For goods or services recognised at point in time revenue is recognised when the Company transfers the promised good/service to the customer for instance for printing services this is generally when the printed item is delivered to the customer. For goods or services recognised over-time it is usually a service that is considered one performance obligation as it is a series of underlying services provided which the customer simultaneously receives and consumes the benefits of as the Company provides, for example where billed monthly for their printing services.

Software revenue

Software covers a range of software goods and services including licenses (perpetual and subscription), software maintenance and software consultancy. Software consultancy is generally billed on time and materials basis and hence is recognised at point of time.

Licensing revenue recognition is dependant on the type of licenses and broadly split into the following two categories:
- Perpetual licenses - recognised at point in time being the issue of license key
- Subscription licenses - recognised over-time

Where software maintenance is billed in advance this is deferred and recognised over the period in which the performance obligations are met (normally 12 months) which aligns with the over-time recognition of providing a service of repeat services.

Software consultancy or professional services is generally charged based on time and materials and is therefore recognised at point in time, whereas software support can be recognised over-time where it is a services are a series of distinct units providing benefit to the customer as they are consumed.

Other revenue

Other revenue consists of revenue derived from the sales of goods and services provided and are recognised at a point in time in accordance with the Company's treatment of point in time performance obligations.

6.1. Revenue from contracts with customers (continued)

2021	**Point in time**	**Over time**	**Total**
Revenue from contracts with customers:	**NZ$'000**	**NZ$'000**	**NZ$'000**
Service and Maintenance revenue	-	40,826	40,826
Enterprise Consulting - Services revenue	9,976	3,789	13,765
Software revenue	6,200	1,781	7,981
Other revenue	6,294	-	6,294
2021 Total revenue from contracts with customers	**22,470**	**46,396**	**68,866**

2020	**Point in time**	**Over time**	**Total**
Revenue from contracts with customers:	**NZ$'000**	**NZ$'000**	**NZ$'000**
Service and Maintenance revenue	-	57,552	57,552
Enterprise Consulting - Services revenue	13,877	4,786	18,663
Software revenue	4,966	3,318	8,284
Other revenue	2,140	-	2,140
2020 Total revenue from contracts with customers	**20,983**	**65,656**	**86,639**

7. Other income

	2021	**2020**
Other income includes:	**NZ$'000**	**NZ$'000**
COVID-19 wage subsidy	3,709	-
CSG recharge income	7,842	-
Gain/(Loss) on disposal of Property, Plant & Equipment	(328)	(43)
Other income/(expenses)	301	(6)
	11,524	**(49)**

In March 2020, the Government announce a package of measures to support businesses through the impact of COVID-19 including the wage subsidy scheme. The scheme provided financial support to employers adversely affected by COVID-19 that experienced a minimum 30% decline in revenue during the affected period compared to the same period in the prior year. In April 2020, the Company applied for the Government's wage subsidy scheme on behalf of 534 employees and received $3,708,533 in total support for its employees.

8. Administrative, restructuring and other operating expenses

		2021	**2020**
Administrative, restructuring and other operating expenses include:		**NZ$'000**	**NZ$'000**
Personnel expenses	Note 9	53,468	43,746
Bad debt (recovery)/expense		(1,010)	4,098
Depreciation and impairment of Property, plant & equipment (excludes equipment held for rental)	Note 16	1,940	1,984
Amortisation of intangibles	Note 17	228	365

During the year, the Company undertook a number of restructuring activities including redundancy payments of $2.2 million (2020: $0.2 million).

9. Personnel expenses

	2021	**2020**
Personnel expenses includes:	**NZ$'000**	**NZ$'000**
Wages and salaries	52,067	41,733
Contributions to defined contribution plans	1,401	2,013
Total Personnel expenses	**53,468**	**43,746**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

10. Interest income and expense

	2021	**2020**
	NZ$'000	**NZ$'000**
Interest income	117	374
Interest income	**117**	**374**
Interest expense	(863)	(5,518)
Interest expenses	**(863)**	**(5,518)**

11. Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

11.1. Income tax recognised in profit or loss

	2021 NZ$'000	2020 NZ$'000
Current tax expense relating to the current period	(46)	1,674
Adjustments for current tax of prior periods	651	(1,139)
Consideration of tax loss transfer	419	423
Total current tax benefit	**1,024**	**958**
Deferred tax expense	(605)	(535)
Total deferred tax expense	**(605)**	**(535)**
Total income tax benefit recognised in the current year	**419**	**423**

The income tax benefit for the year can be reconciled to the accounting profit as follows:

	2021 NZ$'000	2020 NZ$'000
Loss before tax from continuing operations	(5,079)	(1,885)
Income tax expense calculated at 28%	(1,422)	(528)
Effect of non-deductible expenses	1,705	2,171
Prior period adjustment	650	(1,139)
Effect of temporary differences	1,454	30
Consideration of tax loss transfer	419	423
Derecognition of deferred tax	(2,388)	(535)
Income tax benefit recognised in profit or loss	**419**	**423**

11.2. Deferred tax balances

Deferred tax liabilities/(assets) comprise temporary differences relating to:	2021 NZ$'000	2020 NZ$'000
Tax losses	77,863	77,857
Accruals	2,000	1,541
Provisions	1,071	1,788
Leases	1,411	1,597
Right-of-use assets	(1,154)	(202)
Derecognition of deferred tax asset	(81,191)	(82,581)
	-	-

12. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses incurred in bringing the Inventory to its existing condition and location, including freight forwarding, import duties, storage and handling etc. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

	2021 NZ$'000	2020 NZ$'000
Equipment	14,378	8,445
Consumables	14,508	13,352
Spare parts	2,388	2,375
Others	220	-
	31,494	**24,172**

Inventories include net of provisions of $0.7 million (2020: $0.9 million). The cost of inventories recognised as an expense and included in 'cost of sales' in the statement of comprehensive income was $40.6 million (2020: $41.2 million).

The cost of inventories written off during the year amounted to $0.4 million (2020: $1.3 million).

13. Trade and other receivables

	2021 NZ$'000	2020 NZ$'000
Trade receivables	11,547	15,278
Allowance for doubtful debts	(1,373)	(3,281)
Net trade receivables	**10,174**	**11,997**
Prepayments	711	674
Accrued revenue	5,603	2,243
Other	664	954
Total trade and other receivables	**17,152**	**15,868**

13. Trade and other receivables (continued)

	2021 NZ$'000	2020 NZ$'000
Current trade and other receivables	17,123	15,804
Non current other receivables	29	64
	17,152	**15,868**

Provision for doubtful debts		
Opening provision	**3,281**	**1,610**
Additional provisions during the period	521	2,433
Amounts used during the period	(2,429)	(762)
Closing provision	**1,373**	**3,281**

14. Leases

14.1. Company as a lessor

14.1.1. Lease receivables

	2021 NZ$'000	2020 NZ$'000
Gross lease receivables	712	1,457
Provision for doubtful debts	(487)	(600)
Unearned income	(52)	(160)
Net lease receivables	**173**	**697**
Current finance receivables	-	13
Non-current finance receivables	173	684
Net finance receivables	**173**	**697**

	2021 NZ$'000	2020 NZ$'000
Gross investment in the lease receivable at the end of reporting period as follows:		
Not later than 1 year	530	718
Later than 1 year and not later than 5 years	182	739
Later than 5 years	-	-
	712	**1,457**

	2021 NZ$'000	2020 NZ$'000
Present value of minimum lease payments receivable at the end of reporting period as follows:		
Not later than 1 year	-	13
Later than 1 year and not later than 5 years	173	684
Later than 5 years	-	-
	173	**697**

14.2. Company as a lessee

14.2.1. Amounts recognised in the statement of profit or loss

	2021 NZ$'000	2020 NZ$'000
Depreciation charge of right-of-use assets		
Property premises	4,421	4,117
Vehicles	1,037	1,149
	5,458	5,266
Interest expense (included in interest expenses)	733	847
Income from subleasing right-of-use assets	(909)	(365)
	5,282	**5,748**

The total cash outflow for leases in 2021 was $6.3 million (2020: $5.5 million).

14.2.2. Amounts recognised in the balance sheet

	2021 NZ$'000	2020 NZ$'000
Right-of-use assets		
Property premises	25,662	27,182
Vehicles	1,571	2,662
	27,233	**29,844**

Additions to the right-of-use assets during the 2021 financial year were $3.0 million (2020: $2.0 million).

14.2.2. Amounts recognised in the balance sheet (continued)

	2021 NZ$'000	2020 NZ$'000
Lease liabilities		
Current	5,801	5,499
Non-current	28,628	32,156
	34,429	**37,655**

14.2.3. The group's leasing activities and how these are accounted for

The Company leases a number of vehicles and premises throughout New Zealand with varying lease terms of up to 5 years for vehicles and 12 years for premises from the date of inception.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company has applied a three-way methodology using:
- a reference rate, being the New Zealand Government bond yields at the respective starting date of the lease term,
- adjustments for risk for leases held by the Company due to the underlying asset's nature, and
- financing spread adjustments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

15. Loan receivable

The loan receivable balance was settled during the year. No interest was charged on the loan during the year (2020: 11%).

	2021 NZ$'000	2020 NZ$'000
Loan receivable - Current	-	1,190
Loan receivable - Non current	-	1,049
Provision for loan	-	(2,239)
	-	-

16. Property, plant and equipment

	2021 NZ$'000	2020 NZ$'000
Carrying amounts of:		
Leasehold buildings & improvements	3,071	3,380
Plant and equipment	2,679	3,007
Equipment held for rental	576	615
	6,326	**7,002**

Cost	**Leasehold buildings & improvements**	**Plant and equipment**	**Equipment held for rental**	**Total**
Balance at 1 April 2019	**11,129**	**10,332**	**15,630**	**37,091**
Additions	39	1,856	401	2,296
Disposals	(124)	(2,530)	(5,361)	(8,015)
Balance at 31 March 2020	**11,044**	**9,658**	**10,670**	**31,372**
Additions	171	2,764	679	3,614
Disposals	-	(3,269)	(3,722)	(6,991)
Balance at 31 March 2021	**11,215**	**9,153**	**7,627**	**27,995**

16. Property, plant and equipment (continued)

Accumulated depreciation	Leasehold buildings & improvements	Plant and equipment	Equipment held for rental	Total
Balance at 1 April 2019	**(7,580)**	**(6,890)**	**(13,876)**	**(28,346)**
Depreciation and impairment charges	(147)	(1,837)	(1,093)	(3,077)
Disposals	63	2,076	4,914	7,053
Balance at 31 March 2020	**(7,664)**	**(6,651)**	**(10,055)**	**(24,370)**
Depreciation and impairment charges	(480)	(1,460)	(456)	(2,396)
Disposals	-	1,637	3,460	5,097
Balance at 31 March 2021	**(8,144)**	**(6,474)**	**(7,051)**	**(21,669)**
Net Book Value as at 31 March 2021	**3,071**	**2,679**	**576**	**6,326**

17. Software

	2021 NZ$'000	2020 NZ$'000
Cost at 1 April	9,503	9,439
Additions	-	64
Disposals	(264)	-
Cost at 31 March	**9,239**	**9,503**
Accumulated amortisation and impairment at 1 April	(9,183)	(8,818)
Amortisation	(228)	(365)
Disposals	258	-
Accumulated amortisation and impairment at 31 March	**(9,153)**	**(9,183)**
Net Book Value as at 31 March	**86**	**320**

18. Defined benefit plans (pension benefits)

In the past the Company operated a defined benefit fund for its employees. As at 31 March 1999, employees were invited to transfer to the new defined contribution plan. The Company undertook to pay a top-up if the benefit payable on leaving service under the new plan was less than the benefit to which they would have been entitled had the old scheme continued.

The Company recognises the obligation in respect to this employee benefit in accordance with an independent actuarial valuation. The present value of the unfunded defined benefit obligations has been calculated as follows:

	2021 NZ$'000	2020 NZ$'000
Present value of unfunded defined benefit obligations	244	483
Present value of funded defined benefit obligations	22	31
Total present value of obligations	**266**	**514**

The valuation assumptions used to determine the amounts calculated above were as follows:

	2021 NZ$'000	2020 NZ$'000
Average annual rate of salary increase	2.00%	2.00%
Long-term average annual earning rate of plan (net)	5.00%	5.00%
Discount rate (NZ long-term bond rate of 4.50% (2020: 4.50%)		
Less tax at 28% (2020: 28%)	3.24%	3.24%

Note that as these benefits are not funded, the actual annual cost will be the total amount paid out by the Company each year as affected members leave service and receive their benefit entitlements.

19. Borrowings

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Current	**Interest rate**	**Term**	**2021 NZ$'000**
Overdraft facility - Citibank	0.76% - 0.90%	Call	22,137
Total interest bearing loans and borrowings			**22,137**

The overdraft facility with Citibank has been co-signed by the Company's ultimate shareholder, FUJIFILM Business Innovation Corp.

20. Share Capital

	2021 # of shares	2020 # of shares	2021 NZ$'000	2020 NZ$'000
Balance at 1 April	199,343,500	15,700,000	398,687	31,400
Shares issued	-	183,643,500	-	367,287
Balance at 31 March	**199,343,500**	**199,343,500**	**398,687**	**398,687**

At 31 March 2021 equity includes 199,343,500 authorised (2020: 199,343,500), issued and fully paid ordinary shares of $2.00 (2020: $2.00). All shares carry equal voting rights and rank pari passu with regard to the residual assets of the Company.

21. Trade and other payables

A liability for employee entitlements is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

	2021 NZ$'000	2020 NZ$'000
Trade payable	1,336	948
Accruals and other payables	11,653	9,029
Employee entitlements	6,105	4,096
Deferred revenue	42	-
GST Payable	309	674
	19,445	**14,747**

	2021 NZ$'000	2020 NZ$'000
Current Trade and other payables	18,330	13,920
Non-current other payables	1,115	827
	19,445	**14,747**

22. Financial instruments classification

As at 31 March 2021	**Financial assets at amortised cost NZ$'000**	**Financial liabilities at NZ$'000**	**Total Carrying amount NZ$'000**
Current financial assets			
Trade and other receivables	16,412	-	16,412
Lease receivables	-	-	-
Cash and cash equivalents	2,094	-	2,094
Intercompany trade receivables	6,288	-	6,288
Total current assets	**24,794**	**-**	**24,794**
Other receivables	29	-	29
Lease receivables	173	-	173
Total non-current assets	**202**	**-**	**202**
Total assets	**24,996**	**-**	**24,996**
Liabilities			
Trade and other payables	-	18,330	18,330
Borrowings	-	22,137	22,137
Net intercompany trade payables	-	-	-
Total current liabilities	**-**	**40,467**	**40,467**
Other payables	-	1,115	1,115
Total non-current liabilities	**-**	**1,115**	**1,115**
Total liabilities	**-**	**41,582**	**41,582**

22. Financial instruments classification (continued)

As at 31 March 2020	Financial assets at amortised cost NZ$'000	Financial liabilities at NZ$'000	Total Carrying amount NZ$'000
Current financial assets			
Trade and other receivables	15,130	-	15,130
Lease receivables	13	-	13
Cash and cash equivalents	5,427	-	5,427
Total current assets	**20,570**	**-**	**20,570**
Other receivables	64	-	64
Lease receivables	684	-	684
Total non-current assets	**748**	**-**	**748**
Total assets	**21,318**	**-**	**21,318**
Liabilities			
Trade and other payables	-	13,920	13,920
Net intercompany trade payables	-	11,433	11,433
Total current liabilities	**-**	**25,353**	**25,353**
Other payables	-	827	827
Total non-current liabilities	**-**	**827**	**827**
Total liabilities	**-**	**26,180**	**26,180**

23. Related parties

23.1. Identity of related parties

The Company provides document management solutions to customers. The Company has entered into transactions with related parties which are owned by the same ultimate parent company, FUJIFILM Holdings Corporation.

FUJIFILM Business Innovation Corporation, a parent company charged royalties.

FUJIFILM Business Innovation Asia Pacific Pte. Ltd., the immediate parent company, has supplied inventories and management services.

FUJIFILM Business Innovation Australia Pty Limited has supplied inventories.

FUJIFILM Leasing New Zealand Limited, a related party, has purchased equipment from, leased equipment to, lent money from and paid exclusivity fees to the Company. After the recapitalisation in March 2020, there was no interest expense between the Company and FUJIFILM Leasing New Zealand Limited (2020: 2.078% - 2.975%). The Company recharged expenses to FUJIFILM Leasing New Zealand Limited during the year which have been recorded as an intercompany balance. These include wages and salaries and administrative expenses relating to FUJIFILM Leasing New Zealand Limited.
The Company is also part of a tax group with FUJIFILM Leasing New Zealand Limited for GST.

The Company has received recharge income CSG Technology Limited relating to personnel costs the Company has incurred on behalf of CSG Technology Limited. Further detail is included in note 7.

The Company has paid settlement and contract breaking fees on behalf of FUJIFILM CSG Leasing (NZ) Limited.

FUJIFILM NZ Limited, a subsidiary of the parent company of FUJIFILM Business Innovation Corporation, FUJIFILM Holdings Corporation, has supplied and purchased inventories from the Company.

23.2. Related party transactions

For the year ended 31 March 2021	Net (sale)/ purchase of goods or services NZ$'000	Interest on loan NZ$'000	Net receivable/ (payable) NZ$'000
FUJIFILM NZ Limited	339	-	-
	339	**-**	**-**
Ultimate parent			
FUJIFILM Business Innovation Corp.	3,367	-	(1,650)
	3,367	**-**	**(1,650)**
Parent			
FUJIFILM Business Innovation Asia Pacific Pte. Ltd.	48,518	-	(4,926)
	48,518	**-**	**(4,926)**
Fellow subsidiaries of FUJIFILM Business Innovation Corp.			
FUJIFILM Business Innovation Australia Pty Limited	335	-	(130)
FUJIFILM Leasing New Zealand Limited	(33,678)	-	12,536
CSG Technology Limited	(7,780)	-	-
FUJIFILM CSG Leasing (NZ) Limited	2,100	-	8
Other	(622)	-	450
	(39,645)	**-**	**12,864**
	12,579	**-**	**6,288**

For the year ended 31 March 2020	Net (sale)/ purchase of goods or services NZ$'000	Interest on loan NZ$'000	Net receivable/ (payable) NZ$'000
FUJIFILM NZ Limited	76	-	416
	76	**-**	**416**
Ultimate parent			
FUJIFILM Business Innovation Corp.	3,472	-	(1,480)
	3,472	**-**	**(1,480)**
Parent			
FUJIFILM Business Innovation Asia Pacific Pte. Ltd.	41,944	-	(16,129)
	41,944	**-**	**(16,129)**
Fellow subsidiaries of FUJIFILM Business Innovation Corp.			
FUJIFILM Business Innovation Australia Pty Limited	130	-	(92)
FUJIFILM Leasing New Zealand Limited	(23,777)	4,653	5,938
Other	313	-	(86)
	(23,335)	**4,653**	**5,760**
	22,158	**4,653**	**(11,433)**

23.3 Compensation of key management personnel

The Company has a related party relationship with its directors and other members of key management personnel. The total amount remuneration of key management personnel for services rendered was $3.6 million (2020: $3.7 million).

24. Capital Commitments

There are no capital commitments as at 31 March 2021 (2020: Nil).

25. Contingent Liabilities

As part of correspondence with Inland Revenue, the Company is currently assessing a potential tax liability. The determination and amount of the liability is uncertain as at the signing date of the financial statements.

26. Events after balance date

On 18 August 2021, New Zealand has been put into a lockdown nationwide. No further allowance has been made to expected credit loss. The impact of the lockdown is currently considered to be unknown as at the date of the Directors' Responsbility Statement.

27. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on the date in the Directors' Responsibility Statement.

Independent Auditor's Report

To the shareholder of FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited)

Report on the audit of the financial statements

Opinion

In our opinion, the accompanying financial statements of FUJIFILM Business Innovation New Zealand Limited (formerly known as Fuji Xerox New Zealand Limited) (the 'Company') on pages 5 to 23:

i. present fairly in all material respects the Company's financial position as at 31 March 2021 and its financial performance and cash flows for the year ended on that date; and

ii. comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime.

We have audited the accompanying financial statements which comprise:

- the statement of financial position as at 31 March 2021;
- the statements of comprehensive income, changes in equity and cash flows for the year then ended; and
- notes, including a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Our responsibilities under ISAs (NZ) are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

Our firm has also provided other services to the Company in relation to tax compliance. These matters have not impaired our independence as auditor of the Company. The firm has no other relationship with, or interest in, the Company.

Other information

The Directors, on behalf of the Company, are responsible for the other information included in the entity's Annual Financial Statements. Our opinion on the financial statements does not cover any other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Use of this independent auditor's report

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

Responsibilities of the Directors for the financial statements

The Directors, on behalf of the Company, are responsible for:

— the preparation and fair presentation of the financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime);

— implementing necessary internal control to enable the preparation of a set of financial statements that is fairly presented and free from material misstatement, whether due to fraud or error; and

— assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objective is:

— to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and

— to issue an independent auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of these financial statements is located at the External Reporting Board (XRB) website at:
http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/

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

KPMG

31 August 2021