EROAD

ANNUAL REPORT 2015

KEY DATES

06
AUGUST 2015
Annual Shareholders Meeting

30
SEPTEMBER 2015
Financial Half Year End

25
NOVEMBER 2015
Half Year Results announcement*

31
MARCH 2016
Financial Year End

*Proposed date

This Annual Report is dated 22nd June 2015 and is signed on behalf of the Board of EROAD Limited by Michael Bushby, Chairman and Steven Newman, Chief Executive Officer.

Michael Bushby, Chairman

Steven Newman, Chief Executive Officer

CONTENTS

2015 Business Highlights

Q1 April to June 2014

- First electronic weight-mile tax service launched in Oregon
- Appointed new Director to the Board, Candace Kinser, an experienced director, technology entrepreneur and CEO
- Launched NZTA approved Electronic Logbook to replace paper logbooks
- Formed alliance with Glostone Trucking Services, a leading Oregon compliance support firm

Q2 July to September 2014

- Signed agreement with Ritchies to supply into their fleet of over 1,000 buses in New Zealand
- 25% of regional and local councils in New Zealand using EROAD services
- Continued to increase investment in R&D staff and development
- Listed on NZX Main Board raising $40m of new capital to fund international expansion

Q3 October to December 2014

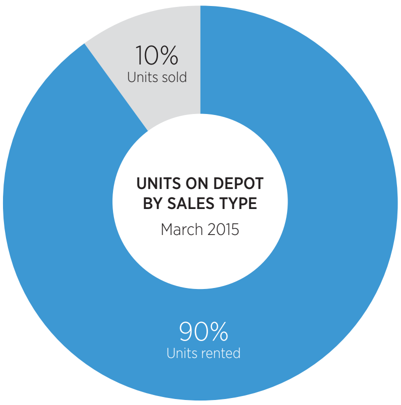
- Entered into agreement with TIL, one of New Zealand's largest privately owned transport companies
- Entered into agreement with Halls, major New Zealand reefer fleet, for 650 trucks and trailers
- Again, made the Deloitte Top 50 fastest growing companies in New Zealand
- Big lift in Oregon team with 15 new staff
- Rental plan introduced to meet demand by carriers in Oregon
- OAR Electronic Tracking Rule published approving EROAD as first electronic weight-mile tax provider
- Established commercial office in Melbourne, Australia

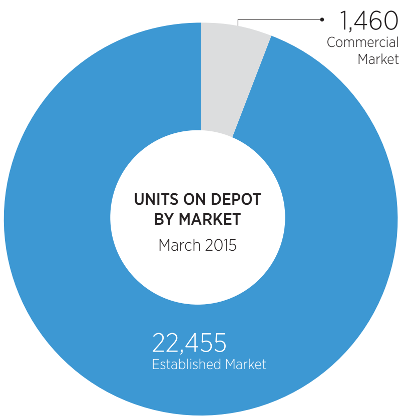
Q4 January to March 2015

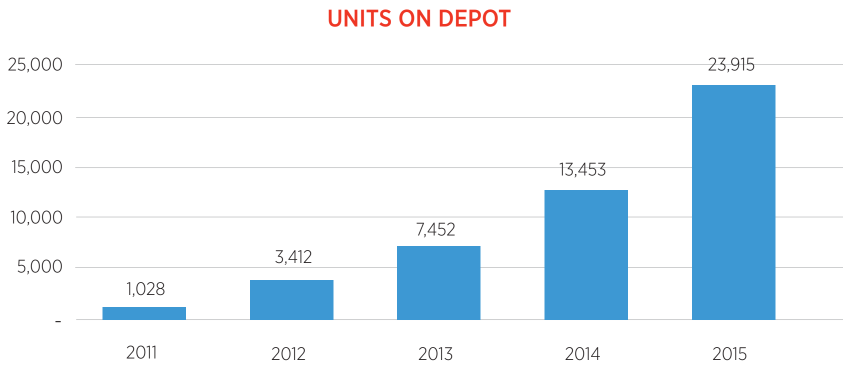
- First electronic weight-mile tax payment made using EROAD payment gateway
- Enhanced IFTA product released to US market at IFTA Audit Conference
- Electronic hours-of-service product built for Oregon pilot and forthcoming Federal electronic logbook mandate
- 1,000 connections reached in Oregon
- Milestone 20,000 units reached on Depot
- Reached 155 staff, with 20 overseas

2015
Results in Brief

Rental Units dominates our total Units on Depot and the new Commercial Market of Oregon was established.







Revenue

76%

Units on Depot

78%

Future Contracted Income

83%

Retention Rate

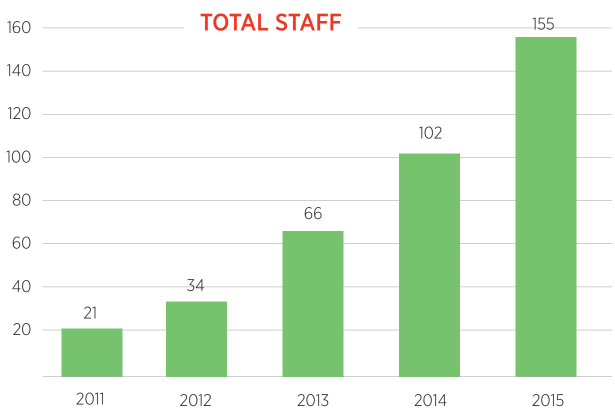
99.2%

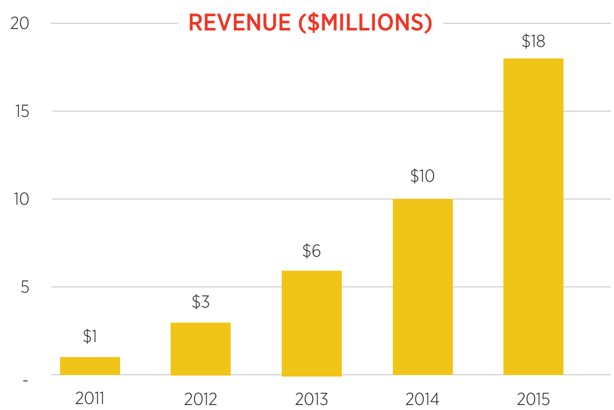
Staff Numbers

52%

Invested in R&D

$8.2m





The EROAD Business

EROAD is a leading transport technology and services company, headquartered in Auckland, New Zealand, with offices in Portland, Oregon, and Melbourne, Australia.

EROAD was founded in 2000 and is listed on the NZX Main Board under the stock ticker of ERD. The EROAD team are experts in their field, highly qualified, and very experienced in technology and security, SaaS and cloud infrastructure, the transport industry and the public sector.

EROAD's in-vehicle technology and global services platform provides transport operators with automated solutions to manage and pay road user charges, to meet regulatory and compliance obligations, and to provide a range of commercial services. Our goal is to offer flexible and powerful solutions based on our innovative technology to assist in the creation of a transport sector that is responsive to the evolving needs of business, government and the wider community.

We design and manufacture in-vehicle hardware, operate secure payment and merchant gateways and offer web-based value-added services.

EROAD generates Recurring Revenue from charging customers for its services, revenue from hardware sales and other commercial activities. EROAD is a vertically integrated technology company which allows the company to provide a better customer experience by controlling the complete user experience from hardware to software and services. This arrangement promotes strong customer relationships and ensures more stable revenues.

WHAT WE DO

Road User Charging/Electronic Tax Management

EROAD has set the standard as the first provider to offer an electronic road user charging solution in New Zealand. Since the company commenced operations in 2009, it has built a strong business, having collected over $700 million of RUC on behalf of the New Zealand government from in excess of 1,800 client organisations.

In Oregon, EROAD became the first service provider approved by the State government to electronically calculate, process and pay weight-mile taxes on behalf of commercial transport carriers. The EROAD solution has received an independent unqualified opinion by the Oregon Secretary of State Audit Division. The state government audit concluded that the EROAD technology platform was accurate and reliable, and found that the EROAD data, reports and records were more accurate than the paper-based records compiled and filed by carriers.

The company also provides a comprehensive fuel tax reporting service in North America, making it much simpler for trucking firms to file their quarterly fuel tax returns required by the International Fuel Tax Agreement (IFTA). The newly released automated electronic IFTA service has been well received by customers and regulators in North America.

Compliance Management

Operating a commercial vehicle fleet is a complex and demanding task. Drivers and managers face increasing regulatory oversight, infrastructure congestion and competitive pressure. Creating a safe workplace is a key goal for all transport operators, who recognise that driver error, fatigue and speed are major factors in crashes.

EROAD's advanced technology platform offers huge opportunities to improve driver compliance and safety outcomes, and the company has developed an electronic logbook solution to support driver hours-of-service obligations and record-keeping requirements, including a powerful driver vehicle inspection product.

Commercial Services

In New Zealand, the United States and Australia, EROAD offers a range of value-added commercial services to improve fleet management and performance. Our intuitive web-based fleet management service offers improved operational transparency and enhanced control. Real-time vehicle information is displayed on digital maps, supplemented by a wide variety of tools and reports.

Transport operators benefit from enhanced fleet productivity, better route planning, higher customer satisfaction, timely maintenance, superior fuel efficiency, the ability to monitor driver performance and improved legal compliance.

Partnerships

EROAD's platform has been specifically designed to allow integration with third-party providers to provide additional commercial services. As such, EROAD is able to align and partner with providers who operate in specialised areas, such as cold chain logistics and monitoring, workflow management and manifest services. Partnerships with recognised technology leaders provides a richer client experience and allows EROAD to market to a wider group of potential clients.

THE EROAD ADVANTAGE

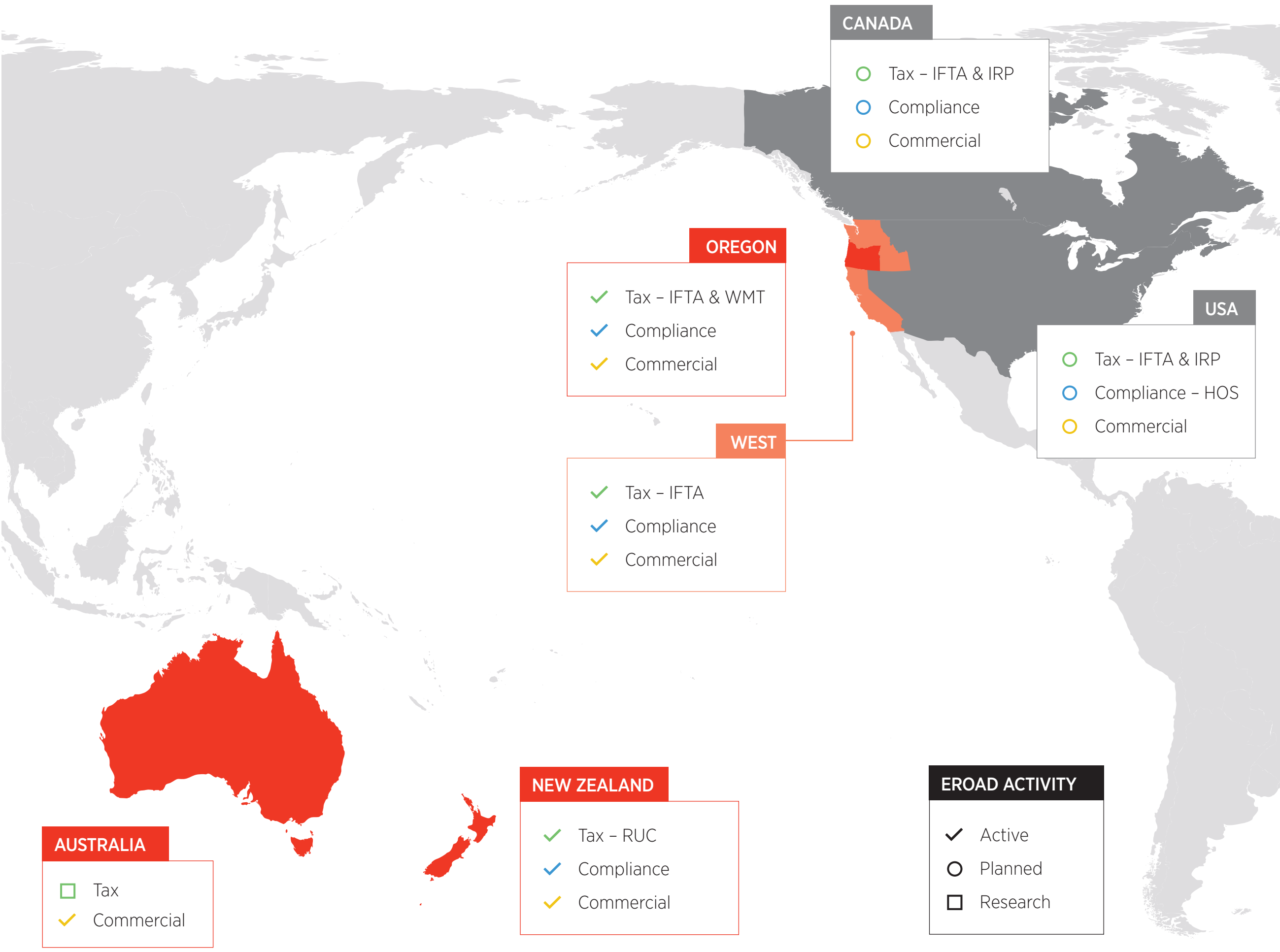
The road charging, compliance and commercial services industries are complex, requiring the company to build and maintain relationships with a wide range of industry, agency and political stakeholders, as well as customers. EROAD enjoys a high international profile, and is seen as a credible and trusted expert in compliance, tolling, Ecommerce and security.

EROAD has built a strong brand based on quality design as well as customer endorsements, advertising, alliances and partnerships. EROAD's trusted party status amongst regulators and customers is underpinned by the quality of our management, system performance and product and process security.

EROAD's web services platform achieves 99.9% availability. EROAD employs best-of-breed technology to protect its information systems, which are aligned with ISO and United States federal government standards.

The company continues to enjoy a strong competitive position underpinned by solution complexity, high security, financial and performance requirements, and agency approvals. Strong barriers to entry create considerable development risk and long lead times to market for potential competitors, who are usually burdened by legacy technology platforms.

GLOBAL ACTIVITIES



FACTS AND FIGURES ON EROAD

	COMMERCIAL MARKET	ESTABLISHED MARKET	TOTAL
Units on Depot	1,460	22,455	23,915
Total Contracted Units*	1,990	23,872	25,862
Tax managed/collected (annualised)	$2.7m	$340.8m	$343.5m
Employees	18	137	155
Future Contracted Income#	$2.7m	$29.9m	$32.6m

* Total Contracted Units is a non GAAP-measure used by EROAD which represents the total Units subject to a customer contract and includes both Units on Depot and Units pending installment.

Future Contracted Income is a new measure that has been used by EROAD during the year ended 31 March 2015. It is a non-GAAP measure which represents future hardware and SaaS revenue under non-cancellable long-term agreements for installed units. Refer to Note 5 of the Financial Statements.

PROGRESS AGAINST KEY STRATEGIES

1	Grow existing markets in New Zealand, Australia and Oregon, USA	*EROAD grew its New Zealand Market Share and established and grew its sales presence in Oregon, USA.*
2	Expand into the Northwest and then across wider North American market	*Established EROAD operations in Oregon and now establishing regional sales hubs in California, Idaho and Washington.*
3	Identify and develop new international opportunities	*Developed electronic International Fuel Tax Agreement (IFTA) service for North America.*
4	Accelerate market entry through acquisitions	*Three acquisitions investigated but none met EROAD's criteria. Continuing to explore opportunities.*
5	Develop further commercial services to support core road charging and compliance offer	*Launched a number of new services during FY15 including EROAD Share and U Book-It.*
6	Validate new product markets	*Electronic logbooks validated and now being developed for North American market.*

Before EROAD, we relied on driver logs to manually track our fleet activity for our Oregon Weight Mile Tax reporting. With EROAD, we not only get more accurate reporting, but it has saved us a lot of time in the back office.

The system is very well laid out and easy to use. There are numerous reports that allow us to track our fleet's activity as well.

EROAD is a very good product and the feedback I have received has been positive.

An unanticipated benefit of EROAD is the Service Module, which has allowed us to manage our fleet's maintenance based on truck hours.

Ed Guasco
Controller, Jubitz Corporation

Chairman Report

On behalf of the Board of Directors, it is my pleasure to present our annual report to shareholders.

This is our first report as a listed company, one of the highlights of the year being our initial public offering, and listing on the NZX Main Board. The Board extends a warm welcome to all our new shareholders, and I wish to extend thanks to our IPO team and to all our advisors and partners who assisted with this transition for the business with minimal disruption.

It has been another year of significant growth for EROAD as you will see in this report. Our New Zealand business has achieved outstanding results, and our US business is now well established. The Board is comfortable with the performance of the business, including continued gains this year in our New Zealand market share. Overall we have consolidated our first mover leadership position in the electronic road user charge, weight-mile tax, regulatory compliance and fleet services market.

As well as welcoming new shareholders this year, it has also been a year in which our team has grown by more than 50%, expanding the company's skills and capability under the experienced leadership of CEO Steven Newman and his executive team. We are fortunate to have a high-calibre team, and we continue to work hard to attract world-best talent. On your behalf, the Board expresses its thanks for the commitment and dedication of the EROAD team on delivering another strong result.

In keeping with the company's focus on developing our product portfolio and growth, there will be no dividend paid this year. We look forward to seeing many of you at our annual meeting on 6 August 2015, in the knowledge we have made good progress this past year, and laid the foundations for a successful 2016 and beyond.

Yours sincerely

Michael Bushby, Chairman

CEO Report

EROAD's vision is to become the international leader in the provision of road user charging and compliance services to the global heavy transport sector. EROAD's successful NZX Main Board listing in August 2014 represents a major milestone for the company. With $40 million of new capital raised at the IPO, the company now has the funds to support EROAD's strategy to identify and develop new markets and products, increase staff and build a competitive and globally scalable technology platform.

YEAR IN REVIEW

Our first year as a publicly listed company has seen EROAD deliver significant progress against its strategic goals, while delivering healthy revenue growth. The New Zealand business underpinned another year of strong performance with revenues of $17.0 million, an increase of 70% compared to FY14, while Group earnings, before interest, depreciation, amortisation and costs of listing, reached $5.0 million in line with forecast.

With an increasing number of clients selecting to rent our hardware product rather than purchase outright, Future Contracted Income reached $32.6 million in March 2015, improving long-term shareholder value. Particularly pleasing was how agile the business proved to be in bringing a rental sales offer to market in the US in response to customers' preference. Customer retention rates have remained strong at 99.2%, through continued innovation meeting customer needs, generating benefits from earnings stability, while margins were largely preserved across the business. Overall Units on Depot reached 23,915, representing a significant 78% increase compared to FY14.

Our team of full-time employees increased from 102 to 155 in FY15 as the North American and Australasian operations expanded as planned. The company successfully recruited high-quality engineering and development resources, noting that the global market for technical staff remains extremely tight. To accelerate sales, we also continued to invest in commercial staff, and the company is establishing regional hubs in a number of locations beyond Portland, Oregon, in response to expanded sales opportunities.

ESTABLISHED MARKETS: NEW ZEALAND AND AUSTRALIA

Total Contracted Units grew to 23,872 up by 67% over FY14. Key drivers of growth in New Zealand included improved market share for electronic RUC services as well as our successful entry into the light vehicle market, our focus on health and safety, and the launch of new services to a wider range of customers. EROAD now collects 29% of New Zealand's total Heavy Vehicle RUC, up from 22% a year ago. The Australian market remains difficult but the company is well placed to attract clients looking for a high quality service provider operating in both Tasman markets.

COMMERCIAL MARKET: OREGON

The company commenced commercial activity in Oregon in FY15 and has been encouraged by the momentum already building in its North American business. Total Contracted Units grew to reach 1,990 by year end and Future Contracted Income from our Units on Depot reached $2.7 million. Our experience to date in Oregon is consistent with our experience in New Zealand with some additional positives, including a higher average number of units per customer, reflecting both confidence in our product and a market of much greater scale.

During FY15 Oregon's state regulators approved a new regulation that sets out the requirements for providers of electronic weight-mile tax services. The new regulation ensures a standards-based market for the provision of these services and establishes high thresholds for market entry. EROAD is the first, and currently only, technology provider to meet the Oregon State requirements.

THE YEAR AHEAD

New Zealand remains a focus for EROAD with strong growth in Units on Depot forecast of 40%, driven by continued investment in customer service and the introduction of exciting products including the Ehubo 2 and Health and Safety Compliance products.

Looking beyond Oregon, the company's development efforts in FY15 have been focused on the completion of its automated fuel tax reporting service and electronic logbook products. Together these two products will allow the company to address a market in North America upwards of five million interstate vehicles.

With a commercial launch planned for early FY16, EROAD's new electronic fuel tax service has been well received by pilot customers and regulators in North America. The services make it easier for trucks travelling interstate to meet their obligations under the International Fuel Tax Agreement (IFTA). Following on from our innovative electronic weight-mile tax service, the comprehensive IFTA service extends EROAD's technology lead in electronic tax services for heavy transport.

The other key focus for the company has been to develop a compliant electronic logbook product, based on a tablet or smartphone, to support commercial drivers to meet their hours-of-service obligations. The provision of an electronic logbook suitable for the American market represents a major strategic goal for the company in preparation for the United States Federal mandate to require all interstate drivers to adopt a compliant electronic hours-of-service product by late 2017. Feedback from the pilot of the EROAD electronic logbook has been extremely positive and the company is on target for a commercial launch in FY16.

To commercialise these opportunities the company has started a process to develop partner channels in the North American market by targeting traditional compliance agents. These partners have established customer bases, which enables the company to significantly expand our serviceable market while lowering client acquisition costs. Extension of EROAD's partner network will be a priority for the company in FY16.

Looking beyond the PFI period (forecasts made at the time of its IPO), the company has committed to larger premises in Oregon, capable of housing up to 70 sales and customer support staff, to ensure we have the resources to capitalise on the demonstrable growth opportunities across North America.

I am delighted with our achievements this year, and looking forward, the company is well positioned to meet its commercial goals in FY16.

The Australasian operation is expected to continue to perform strongly based on buoyant economic activity, the focus on health and safety and our extensive product offering. The New Zealand business will underpin FY16, while the company continues to focus on building the infrastructure to support expansion into North America.

Looking beyond FY16, EROAD's comprehensive IFTA service and the electronic logbook solution enable the company to fully address the North American commercial vehicle market. Overall I am confident the company has now put in place the foundations to execute our shared goal of building a global leading technology and services company. It's going to be an exciting ride!

Steven Newman, CEO

2.0

GOVERNANCE

Board of Directors

From left: Tony Gibson, Candace Kinser, Sean Keane, Steven Newman and Michael Bushby.

MICHAEL BUSHBY

Chairman

Michael is General Manager of Asset and Infrastructure Services for LS New Co Pty, previously Leighton Contractors Infrastructure Services business. Leighton Contractors is the largest private motorway and tunnel operations and maintenance provider in Australia and undertakes road network management across Australia and in New Zealand. He was previously Chief Executive of the New South Wales Roads and Traffic Authority. Michael joined the EROAD board in May 2012 and was appointed chair shortly thereafter.

TONY GIBSON

Independent Director, Chairman of Remuneration, Talent and Nomination Committee, and Finance Risk and Audit Committee

Tony Gibson is the Chief Executive of Ports of Auckland and one of New Zealand's most experienced transport professionals, with 30 years in shipping and logistics. He has worked in various senior management roles in Africa, Asia and Europe. In 2008 the Minister of Transport appointed him to the Road User Review Group. Tony joined EROAD's board in October 2009.

SEAN KEANE

Independent Director, Chairman of Finance Risk and Audit Committee

Sean is the founder and Managing Director of Triple T Consulting, a financial market commentary and advisory company. Sean's career spans 27 years in the financial markets, in a variety of senior roles in London, Wellington, Sydney, Singapore and Tokyo. Most recently he was Managing Director of Interest Rate Trading and Funding for Credit Suisse. Sean is a non-executive Director of First NZ Capital. He was appointed to EROAD's board in February 2013.

CANDACE KINSER

Independent Director, Member of Remuneration, Talent and Nomination Committee, and Finance Risk and Audit Committee

Candace is an experienced director, CEO and tech entrepreneur. Previously the CEO of the NZ Technology Industry Association and science software company Biomatters, she is currently an Advisor for Palantir Technologies. She is also a Director for McCashin's Brewery and global technology recruitment company Talent International, an Advisor for the University of Waikato's Cyber Security Lab and a Director for the Cloud Security Alliance New Zealand chapter. Candace joined the EROAD Board in April 2014.

STEVEN NEWMAN

Executive Director/CEO

Refer Executive Management Team.

Executive Management Team

STEVEN NEWMAN

Executive Director/CEO

Steven brings a wealth of experience to EROAD after a long and successful association with Navman, which he co-founded. In his roles as COO and CEO, Steven helped establish Navman as a leading international brand within the Marine Electronics, Fleet Tracking, Precision GPS Modules and Consumer Car Navigation sectors, with annual sales in excess of NZ$500 million. Steven has been CEO and a member of the EROAD board since 2007.

BRIAN MICHIE

Founder, Senior Vice President

Brian has overall responsibility for strategy and international market development, communications and stakeholder relationships. Brian founded EROAD in 2000. He is an economist with extensive experience in the infrastructure, government and technology sectors. Brian was also responsible for the establishment of the American subsidiary, EROAD Inc.

In collaboration with the Oregon Department of Transportation, EROAD has published a case study on the introduction of electronic weight-mile tax services in Oregon. EROAD Founder and Senior Vice President Brian Michie co-authored the case study with Gregg Dal Ponte, the Administrator of the State of Oregon Department of Transportation Motor Carrier Transportation Division.

The case study was prepared to assist policy makers in North America understand the process by which Oregon implemented the modernisation of their paper-based road taxing regime, and the procurement of EROAD's service.

www.eroad.com/odot-casestudy

PETER BATCHELER

Executive Vice President
Global Sales & Marketing

Peter oversees EROAD's commercial activity, with particular focus on in-market sales. He was previously Managing Director of Steelbro, and CEO of Gough Transport Group, New Zealand's leading supplier of parts and equipment to the heavy vehicle industry.

BRUCE WILSON

Chief Technology Officer

Bruce is responsible for technical leadership across product development at EROAD. Bruce provides technical guidance to the engineering, enterprise and market development teams to support the company's vision to become a global leader in electronic heavy vehicle charging and the provision of related services. Bruce has worked locally and internationally on many wireless embedded projects for companies such as Nokia and Navman.

MARK SIMPSON

Finance Director

Mark is responsible for EROAD's financial management. His 25 years' experience as a finance professional includes roles as CFO and CEO of publicly listed organisations in New Zealand, and consulting through KPMG.

JARRED CLAYTON

Engineering Manager

Jarred oversees technical delivery to customers through his management of EROAD's engineering teams. Jarred has a wealth of experience from engineering in the telecommunications industry and consulting on architecture and agile development. He has a strong architectural background and is well versed in what it takes to build teams, solutions and processes to deliver a high-quality, scalable, market-leading SaaS solution.

Corporate Governance

The Board and management of EROAD are committed to ensuring that the company adheres to best practice governance principles and maintains the highest ethical standards. The Board reviews and assesses the company's governance structures to ensure that they are consistent with best practice.

EROAD's corporate governance is aligned with the NZX Main Board Listing Rules relating to corporate governance, the NZX Corporate Governance Best Practice Code, and the New Zealand Financial Markets Authority Corporate Governance in New Zealand Principles and Guidelines. In this Corporate Governance section, we report on how the company has followed the recommendations set out in these principles. The company's corporate governance policies, practices and procedures can be found on the Company's website.

PRINCIPAL ACTIVITIES

EROAD has created an electronic solution to manage and pay Road User Charges (RUC) and road tax regimes, support regulatory compliance as well as provide value-added commercial services to the heavy vehicle industry. There were no significant changes to the company's principal activities during the financial year. The company did list on the NZX Main Board on 15 August 2014.

CODE OF ETHICS

The company expects its employees and directors to maintain high ethical standards. The Code of Ethics for the company set out these standards and address amongst other things:

- confidentiality
- conflicts of interest and corporate opportunities;
- receipt of gifts and personal benefits;
- expected conduct; and
- reporting concerns regarding breaches of this code, other policies and the law.

The Code of Ethics requires employees to act in the best interests of the company at all times and to not accept from, or offer to, anyone, bribes or improper inducements. The company's Code of Ethics can be found on the Company's website.

RESPONSIBILITIES OF THE BOARD AND EXECUTIVE MANAGEMENT

The business and affairs of the company are managed under the direction of the Board of Directors. At a general level, the Board is elected by shareholders to:

- form the company's objectives;
- advance major strategies for achieving the company's objectives;
- manage risks;
- determine the overall policy framework within which the business of the company is conducted; and
- monitor management's performance with respect to these matters.

The Board Charter sets internal Board procedure and defines the Board's specific role and responsibilities. The Board delegates management of the day-to-day operations and responsibilities of the company to the executive management team under the leadership of the Chief Executive Officer to deliver the strategic direction and goals determined by the Board.

THE BOARD

Board Composition

At present, there are five directors on the Board, four of which are non-executive directors. Steven Newman, Chief Executive Officer, is the only executive director on the Board. The Chairman of the Board is Michael Bushby.

A brief biography of each Board member, including each director's experience, expertise, role and the term of office held at the date of this Annual Report, is set out in the "Board of Directors" section of this Annual Report.

INDEPENDENCE OF DIRECTORS

The factors that the company takes into account when assessing the independence of its directors are set out in the Board Charter. After consideration of these factors, the company is of the view that:

1. No non-executive director is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
2. Steven Newman is a director who, within the last three years, has been employed in an executive capacity by the company and is a substantial shareholder.

3. No director has been a principal of a material professional adviser to the company, or an employee materially associated with such service provider, within the last three years.
4. No director is a material supplier or customer of the company, or an officer of, or otherwise associated directly or indirectly with, a material supplier or customer.
5. No director has a material contractual relationship with the company other than as a director of the company and in the case of Steven Newman only, as an employee of the company and substantial shareholder.
6. No director has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.
7. All directors are free from any close family ties with any person who falls within the above categories.
8. All directors are free from any interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company.

Based on these assessments, the company considers that, as at 31 March 2015, Michael Bushby, Tony Gibson, Sean Keane and Candace Kinser were independent directors.

COMMITTEES

Specific responsibilities are delegated to the Finance, Risk and Audit Committee and the Remuneration, Talent and Nomination Committee. These Board committees support the Board by working with management and advisors on relevant issues at a suitably detailed level and report to the Board. These committees have specific charters setting out objectives, procedures, composition and responsibilities. Copies of these charters are available on the Company's website.

Finance, Risk and Audit Committee
The primary function of the Finance, Risk and Audit Committee is to assist the Board in fulfilling its oversight responsibilities relating to the company's risk management and internal control framework, the integrity of its financial reporting and the company's auditing processes and activities. Two meetings of the Finance, Risk and Audit Committee were held during the financial year ended 31 March 2015.

Under the Finance, Risk and Audit Committee Charter, the Committee must be comprised of non-executive directors, all of whom must be independent. Further, the Chair of the Committee must be an independent director and cannot be the Chairman of the Board.

The current members of the Finance, Risk and Audit Committee are Sean Keane (Chairman), Anthony Gibson and Candace Kinser (appointed March 2015) and their qualifications are specified in "Board of Directors" section of this Annual Report. All members of the Finance, Risk and Audit Committee are independent non-executive directors.

Remuneration, Talent and Nomination Committee
The Remuneration, Talent and Nomination Committee's role is to oversee and regulate remuneration and organisation matters of the company and recommend candidates to be nominated as a director or candidate for a committee. Responsibilities encompass remuneration and benefits policies; performance objectives and remuneration of the company's senior executives; succession planning and associated management development for the chief executive and senior executives.

When recommending candidates to act as director, the committee takes into account such factors as it deems appropriate, including the diversity of background, experience and qualifications of the candidate. The current members of the Remuneration, Talent and Nomination Committee are Anthony Gibson (Chairman), Candace Kinser and Steven Newman. The majority of members of the Remuneration, Talent and Nomination Committee are independent directors.

	Board		Finance, Risk and Audit Committee		Remuneration, Talent and Nomination Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Michael Bushby	11	11	-	-	-	-
Sean Keane	11	11	2	2	-	-
Anthony Gibson	11	11	2	2	2	2
Candace Kinser	10	9	0	0	1	1
Steven Newman	11	11	2*	2	2	2

** Attended by invitation*

BOARD PROCESSES

The Board held 11 meetings during the year ended 31 March 2015. The table on the prior page shows attendance at the Board and committee meetings.

If circumstances arise where a director needs to obtain independent advice, that director is, as a matter of practice, at liberty to seek such advice at the expense of the company.

At the company's Annual Meeting of Shareholders held on Thursday 26th June 2014, all of the then-serving directors attended the meeting.

EMPLOYEE AND DIRECTOR GENDER MIX

The table below shows the respective number of men and women on the Board, in executive management positions (as "Officers") and across the whole organisation as at 31 March 2014 and 31 March 2015:

	2014		2015	
	Women	Men	Women	Men
Board	0	4	1	4
Officers	0	6	0	6
All employees	34	68	45	110

"Officers" are the Chief Executive Officer and senior executives reporting directly to the Chief Executive Officer, who are concerned with or take part in the management of the company.

DIRECTORS' REMUNERATION

The Remuneration, Talent and Nomination Committee is responsible for establishing and monitoring remuneration policies and guidelines for directors which enable the company to attract, motivate and retain directors who will contribute to the successful governing of the company and create value for shareholders.

The company also takes advice from independent advisors, and takes into account fees paid to directors of comparable New Zealand companies as part of its assessment of the appropriate level of remuneration of directors.

Non-executive directors received the following directors' fees and expenses from the company in the year ended 31 March 2015:

	NZ$
Michael Bushby	88,822
Candace Kinser	54,404
Sean Keane	49,793
Anthony Gibson	40,390
Total	**233,409**

The maximum total financial sum payable by the company by way of directors' fees is $300,000 per annum as approved by shareholders at the 2014 annual general meeting.

Directors do not take a portion of their remuneration under a share plan but directors may hold shares in the company, details of which are set out in the "Director Disclosures" section of this Annual Report. It is the company's policy to encourage directors to acquire shares on-market.

Steven Newman, acting in his capacity as an employee of the company, received fixed remuneration in the year ended 31 March 2015 of $318,010.

In addition to this fixed remuneration, Steven Newman also received performance based at-risk components of $70,878.

Steven Newman, in his capacity as an executive director, does not receive remuneration as a director of the company. No employee of the company receives any remuneration or other benefits in their capacity as a director of an EROAD subsidiary.

No director of any EROAD subsidiary receives or retains any remuneration or other benefits in their capacity as a director.

EXECUTIVE MANAGEMENT REMUNERATION

The Remuneration, Talent and Nomination Committee is responsible for reviewing the remuneration of the company's executive management in consultation with EROAD's Chief Executive Officer.

The remuneration packages of executive management consist of a mixture of a base remuneration package, a variable remuneration component based on relevant performance measures, and participation in the company's employee share plan.

The remuneration policy for executive management is designed to attract, motivate and retain high quality employees who will enable the company to achieve both its short and long term objectives. The policy includes providing incentives that allow executives to share in the long term success of the company and share plans intended to encourage the retention of executive management and increase the alignment between the interests of management and shareholders.

EMPLOYEE REMUNERATION

The company and its subsidiaries operate in three countries where remuneration market levels differ. The overseas remuneration amounts are converted into New Zealand dollars. Of the employees noted in the following table, 7% are employed by EROAD outside New Zealand.

During the year a number of employees, not being directors of the company and its subsidiaries, received remuneration and other benefits that exceeded NZ$100,000 in value is set out in the following table.

NZ$	Number of Employees
$100,000 to $110,000	8
$110,001 to $120,000	16
$120,001 to $130,000	6
$130,001 to $140,000	2
$140,001 to $150,000	2
$150,001 to $160,000	1
$160,001 to $170,000	1
$180,001 to $190,000	3
$200,001 to $210,000	2
$220,001 to $230,000	1
$230,001 to $240,000	1
$320,001 to $330,000	1
$360,001 to $370,000	1
$380,001 to $390,000	1
Total	**46**

PERFORMANCE EVALUATION

The Board has a policy in place relating to the performance evaluation of the Board, the Board's committees, individual directors and senior executives. For the year ended 31 March 2015, performance evaluations took place in relation to the Board, the Board's committees, individual directors and senior executives in accordance with the company's policies.

The Board Charter requires the Board to undertake an annual performance evaluation of itself that:

- compares the performance of the Board with the requirements of its Charter;
- reviews the performance of the Board's committees and individual Directors; and
- makes improvements to the Board Charter where considered appropriate.

RISK MANAGEMENT

The company has a number of risk management policies for the oversight and management of financial and non-financial material business risks, as well as related internal systems that are designed to:

- optimise the return to, and protect the interests of, stakeholders;
- safeguard the company's assets and maintain its reputation;
- improve the company's operating performance; and
- support the company's strategic objectives.

A summary of the company's Risk Management Policy is available on the Company's website. The Board ultimately has responsibility for internal compliance and control. The Finance, Risk and Audit Committee undertakes an annual review of the risk management framework. In addition, a review is undertaken, with the external auditors and management, of the policies and procedures in relation to material business risks.

The Finance, Risk and Audit Committee, in conjunction with management, reports to the Board on the effectiveness of the company's management of its material business risks and whether the risk management framework is operating effectively in all material respects.

POLICIES

The company has in place a number of policies including those covering external auditors, remuneration, market disclosure, communication with shareholders and securities trading. Further information with respect to a number of these policies appears below, each of which is available on the Company's website.

Securities Trading

The Securities Trading Policy identifies circumstances where directors, officers, employees and advisors are permitted to trade, or prohibited from trading, company shares. The company is committed to ensuring its directors, officers, employees and advisors do not trade company shares while in possession of inside information.

Market Disclosure Policy

The company is committed to the promotion of investor confidence by ensuring that the trading of company shares takes place in an efficient, competitive and informed market. The company's Market Disclosure Policy establishes the company's disclosure policies for meeting the continuous disclosure requirements of the NZX Main Board.

Shareholder Communication Policy

The aim of the company's communication arrangements is to provide all shareholders with information about the company and to enable shareholders to actively engage with the company and exercise their rights as shareholders in an informed manner. The company's Shareholder Communication Policy facilitates communication with shareholders through written and electronic communication, and by facilitating shareholder access to directors, executive management and the company's auditors.

External Auditor Independence

The company maintains external auditor independence consistent with regulatory and stock exchange requirements and current best practice in New Zealand for companies of similar nature and size.

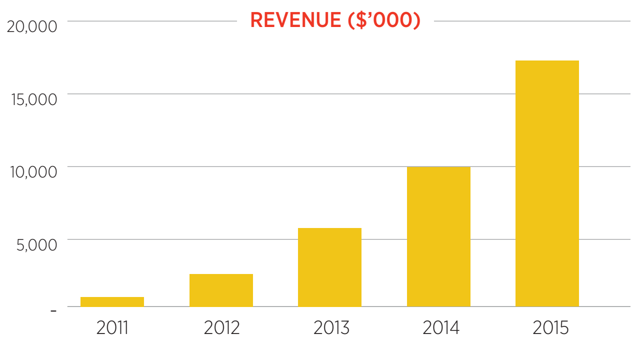
3.0

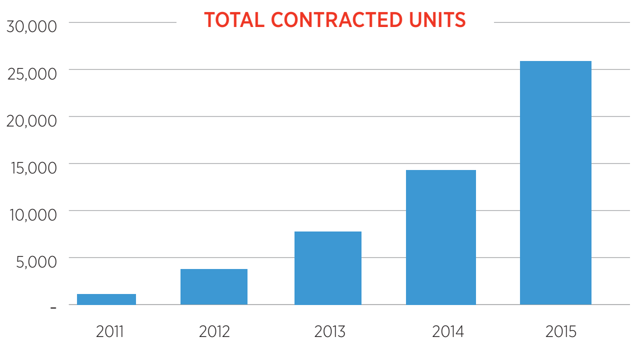
FINANCIAL PERFORMANCE

Financial Review

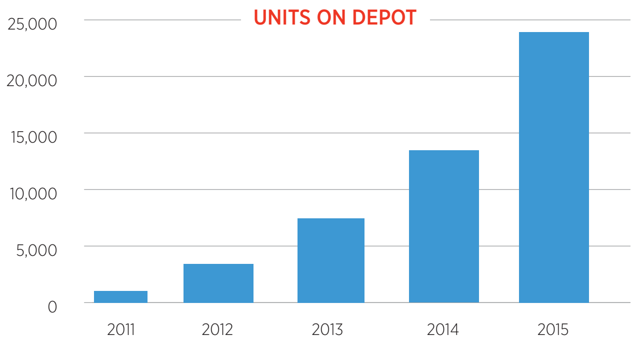
The Group continued its strong record of revenue growth with total revenues of $17.6m, an increase of 76% compared to the prior year's $10.0m. Total Units on Depot grew by 78% to total 23,915 at 31 March 2015.

PERFORMANCE INDICATORS

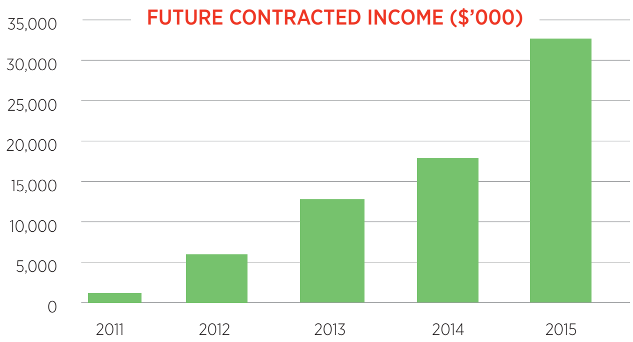




Total Contracted Units is a measure that represents Units on Depot and Units that have been dispatched pending installation. Total Contracted Units is a non-GAAP measure that EROAD management uses to track sales growth.



Units on Depot is the number of EROAD devices installed in vehicles and subject to a service contract with a customer. Units on Depot is a non-GAAP measure that EROAD management uses to track growth and performance.



Future Contracted Income is a new measure that has been used by EROAD during the year ended 31 March 2015. It is a non-GAAP measure which represents future hardware and SaaS revenue under non-cancellable long-term agreements for installed units. Refer to Note 5 of the Financial Statements.

	2011	2012	2013	2014	2015
Retention Rate	100%	100%	99.5%	99.3%	99.2%

Retention Rate is a non-GAAP measure that represents the number of Units installed at the beginning of the period and retained on Depot at the end of the period as a percentage of the number of Units on Depot at the beginning of that period. A unit ceases to be on Depot if the contract is terminated and the Unit is returned to EROAD.

FIVE YEAR SUMMARY

($'000)	2011	2012	2013	2014	2015
Revenue	1,102	2,860	6,209	9,964	**17,550**
EBITDA before non-operating costs[1]	(1,349)	228	1,782	4,029	**5,038**
Depreciation	(332)	(766)	(1,684)	(2,320)	**(3,560)**
Amortisation	(78)	(193)	(353)	(648)	**(1,140)**
EBIT before non-operating costs	(1,760)	(731)	(255)	1,062	**338**
Net financing costs	(84)	(21)	(43)	(42)	**758**
Net Profit before listing costs	(1,844)	(752)	(298)	1,020	**1,096**
Total Assets	3,541	7,533	14,812	31,595	**71,310**
Net Assets	101	102	1,592	11,549	**51,763**

[1] *EBITDA before non-operating costs is earnings before interest income and expense, taxation, depreciation, amortisation and non-operating costs. EBITDA before non-operating costs is a non-GAAP measure presented to enable readers to consider EROAD's profitability before non-operating costs. Non-operating costs in the year-ended 31 March 2015 comprised costs of listing on the NZX Main Board in addition to net financing costs.*

CURRENT YEAR FINANCIAL PERFORMANCE

The Group's financial statements for the year ended 31 March 2015 and comparative financial information for the year ended 31 March 2014 have been prepared under New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS). The Group's full audited financial statements are presented on pages 25 to 59.

Revenue

Operating revenues of $17.6m were 76% higher than the prior year driven largely by strong growth in the Established Market which includes New Zealand and Australia. In addition the Commercial Market of Oregon commenced during the period contributing $0.4m towards the growth in revenue. Units on Depot grew over the period by 78% to 23,915, 1,460 of which were Units on Depot in the US.

The Group met the customer demand for a rental offering in new Commercial Market of Oregon. Strong demand for the long-term (generally 36 months) rental offering across all markets has resulted in Future Contracted Income of $32.6m as at 31 March 2015, an increase of 83% from 31 March 2014.

The Group views the strong take-up of rentals over outright sales as a positive development as the long-term nature of the arrangements provide an opportunity for greater 'life-time' value to be obtained from customers.

Total Contracted Units at 31 March 2015 was 25,862, comprising all Units on Depot and a further 1,947 contracted sales pending installation.

Operating Expenses

Operating expenses of $12.5m were 111% higher than prior year which is reflective of the growth in head count as the Group continues to resource for the increase in sales activity in the Commercial Market. Overheads have increased in line with expectations as a result of increased staff and the costs related to being a listed company.

Depreciation and Amortisation

Depreciation costs of $3.6m were 53% higher than prior year, a direct result of the growth in Property, Plant and Equipment during the period. The growth in rental sales during the year has resulted in the growth of Leased Assets throughout the period.

Amortisation of intangible assets was $1.1m, 76% greater than the previous period from the amortisation of Development and Software assets. Development Assets are amortised on a per unit basis at a rate expected to amortise the asset over the estimated useful life.

Finance Income and Finance Expenses

Finance Income of $0.8m increased significantly from the prior year, driven by higher interest income as a result of the cash and term investments held following the initial public offering. Finance Expenses has a corresponding decrease compared to prior year with the interest expense reducing as a result of debt facilities being repaid during the year.

Costs of listing

Costs of listing were in line with expectations. The $2.0m of listing costs were expensed in the income statement are the proportion of the listing costs incurred that relate to the shares held before the allotment. A further $0.6m relating to the new shares was recognised directly against equity.

	2015	2014
Earnings Per Share - Ordinary	(2.24)	6.66
Earnings Per Share - Diluted	(2.24)	6.66
Net Tangible Assets per Security	0.60	0.03

CURRENT YEAR FINANCIAL POSITION AND CASH FLOW

Initial Public Offering

The Company's listing on the NZX Main Board injected $40.0m of new capital into the Group's balance sheet. The Bank Loan of $3.2m used to fund rented Units, was repaid following the listing. A further $2.6m was spent on listing costs.

Property, Plant & Equipment

Additions to Property, Plant and Equipment amounted to $9.4m, up 49% on prior year. $8.4m of the cost additions related to the increase in Leased Assets which is the direct result of the strong demand for the rental offering over outright hardware sales. This has had a cash flow impact, due to the cost of hardware being recovered over the term of rentals, as opposed to being received upfront for outright hardware sales.

Following the successful fundraising on the NZX Main Board, the Group repaid its rental financing facilities and has increased the number of customers it is contracting with directly. This reduces financing costs and increases margins over the life of the long-term rentals. However, this does have an operating and timing cash flow impact for the Group because no upfront cash flow is received.

Development Assets

The Group has continued its investment in R&D activities. During the period a further $6.2m was invested into Development Assets to develop both the hardware and platforms necessary to take advantage of the significant market opportunities in North America such as IFTA and Electronic Logbooks.

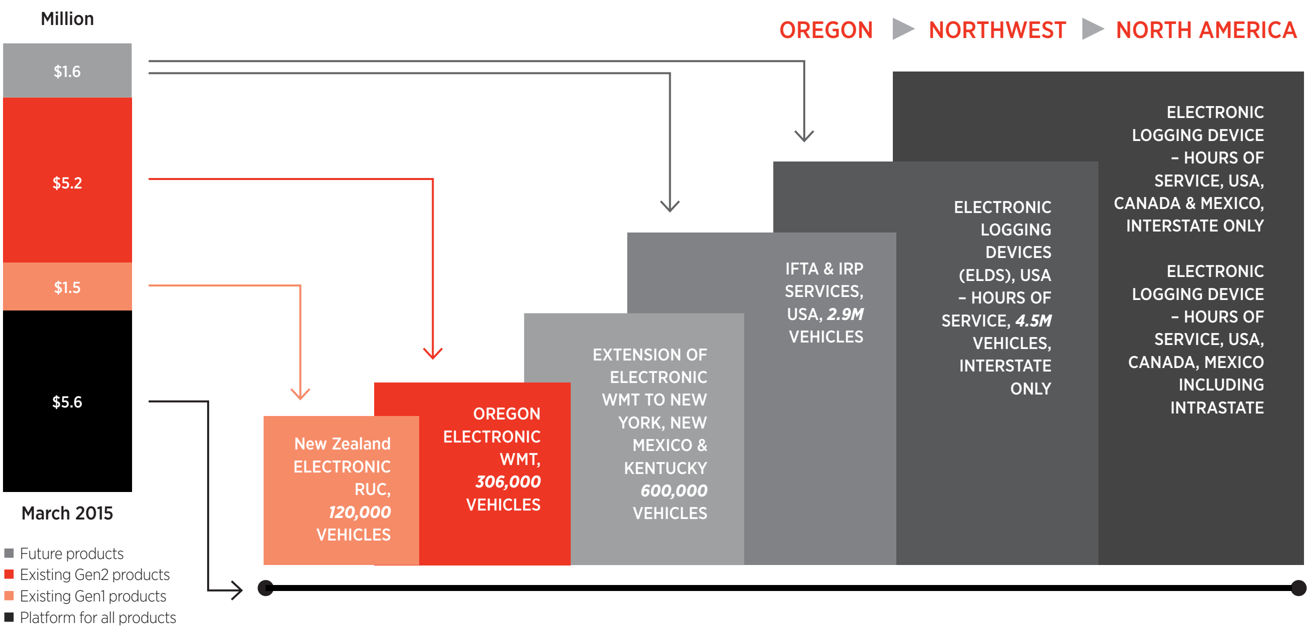
Cash flow

Total cash held increased by $25.0 million during the year. Financing activities generated $38.0 million with a further $3.4 million generated from operating activities. Investing activities utilised $16.4 million of cash, $9.4 million on Property, Plant and Equipment, including leased assets, and $7.0 million on Development activities.

DIVIDEND

Consistent with its Dividend Policy, EROAD does not intend to pay a final dividend for the year ended 31 March 2015.

RESEARCH AND DEVELOPMENT



Financial Statements

- Directors' Responsibility Statement
- Consolidated Statement of Comprehensive Income
- Consolidated Statement of Financial Position
- Consolidated Statement of Changes in Equity
- Consolidated Statement of Cash Flows
- Notes to the Consolidated Financial Statements
- Independent Auditor's Report

Directors' Responsibility Statement

In the opinion of the Directors of EROAD Limited, the consolidated financial statements and notes, on pages 25 to 59, comply with New Zealand Generally Accepted Accounting Practice and have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of EROAD Limited and its subsidiaries (the "Group") and facilitate compliance of the financial statements with the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

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

For and on behalf of the Board of Directors:

Michael Bushby
22nd June 2015

Steven Newman
22nd June 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2015

		GROUP	
		31 March 2015	31 March 2014
	Notes	$	$
Continuing operations			
Revenue		**17,550,323**	9,963,884
Expenses	2	**(12,511,682)**	(5,934,749)
Earnings before interest, taxation, depreciation, amortisation and costs of listing		**5,038,641**	4,029,135
Depreciation	12	**(3,560,474)**	(2,319,711)
Amortisation	13	**(1,140,251)**	(647,834)
Earnings before interest, taxation, and costs of listing		**337,916**	1,061,590
Finance income	6	**843,662**	80,070
Finance expense	6	**(86,020)**	(121,883)
Net financing costs		**757,642**	(41,813)
Profit before tax expense and costs of listing		**1,095,558**	1,019,777
Costs of listing	2	**(2,022,675)**	-
Profit/(loss) before tax		**(927,117)**	1,019,777
Income tax (expense)/benefit	7	**(293,563)**	1,921,753
Profit/(loss) from continuing operations		**(1,220,680)**	2,941,530
Profit/(loss) after tax for the year attributable to the shareholders		**(1,220,680)**	2,941,530
Other comprehensive income - net of tax		**(61,715)**	-
Total comprehensive income/(loss) for the year		**(1,282,395)**	2,941,530
Earnings per share - Basic & Diluted (cents)	9	**(2.24)**	6.66

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

		GROUP	
		31 March 2015	31 March 2014
	Notes	$	$
CURRENT ASSETS			
Cash and cash equivalents	10	**34,117,652**	9,155,825
Trade and other receivables	11	**4,307,835**	1,219,196
Total Current Assets		**38,425,487**	10,375,021
NON-CURRENT ASSETS			
Property, plant and equipment	12	**15,138,577**	9,323,478
Intangible assets	13	**15,816,083**	9,974,274
Loan to shareholders and directors	25	**279,996**	-
Deferred tax assets	8	**1,649,754**	1,921,753
Total Non-Current Assets		**32,884,410**	21,219,505
TOTAL ASSETS		**71,309,897**	31,594,526
CURRENT LIABILITIES			
Bank loan	15	**-**	3,101,274
Trade payables and accruals	14	**1,865,388**	1,262,824
Payable to NZTA		**9,567,274**	6,629,209
Deferred revenue	17	**4,082,183**	4,632,303
Employee entitlements		**718,867**	549,054
Total Current Liabilities		**16,233,712**	16,174,664
NON-CURRENT LIABILITIES			
Deferred revenue	17	**3,313,209**	3,871,162
Total Non-Current Liabilities		**3,313,209**	3,871,162
TOTAL LIABILITIES		**19,546,921**	20,045,826
NET ASSETS		**51,762,976**	11,548,700
EQUITY			
Share capital	9	**58,819,932**	17,471,968
Translation reserve		**(61,715)**	-
Retained earnings		**(6,995,241)**	(5,923,268)
TOTAL SHAREHOLDERS' EQUITY		**51,762,976**	11,548,700

Chairman, 22nd June 2015

Executive Director, 22nd June 2015

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

GROUP	Notes	Share Capital $	Retained Earnings $	Translation Reserve $	Total $
Balance at 1 April 2013		10,457,138	(8,864,798)	-	1,592,340
Profit after tax for the period		-	2,941,530	-	2,941,530
Total comprehensive income for the period - net of tax		-	2,941,530	-	2,941,530
Share capital issued	9	7,014,830			7,014,830
Balance at 31 March 2014		**17,471,968**	**(5,923,268)**	-	**11,548,700**
Balance as at 1 April 2014		**17,471,968**	**(5,923,268)**	**-**	**11,548,700**
Profit after tax for the period		**-**	**(1,220,680)**	**-**	**(1,220,680)**
Equity settled share-based payments	19	**-**	**148,707**	**-**	**148,707**
Other comprehensive income		**-**	**-**	**(61,715)**	**(61,715)**
Total comprehensive loss for the period - net of tax		**-**	**(1,071,973)**	**(61,715)**	**(1,133,688)**
Share capital issued	9	**41,347,964**	**-**	**-**	**41,347,964**
Balance at 31 March 2015		**58,819,932**	**(6,995,241)**	**(61,715)**	**51,762,976**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

		GROUP	
		31 March 2015	31 March 2014
	Notes	$	$
Cash flows from operating activities			
Cash received from customers		**13,353,611**	7,671,844
Payments to suppliers and employees		**(11,673,877)**	(2,462,190)
Net interest received / (paid)		**757,642**	(41,814)
Net cash inflow from operating activities before listing costs and NZTA collections		**2,437,376**	5,167,840
Payments made to suppliers in listing on NZX		**(2,022,675)**	-
Net cash received from customers / (paid to) NZTA		**2,938,065**	3,538,956
Net cash inflow from operating activities	23	**3,352,766**	8,706,796
Cash flows from investing activities			
Payments for purchase of property, plant & equipment		**(9,375,573)**	(5,822,382)
Payments for purchase of intangible assets		**(6,982,060)**	(5,302,900)
Net cash outflow from investing activities		**(16,357,633)**	(11,125,282)
Cash flows from financing activities			
Loan from/(repayment) bank		**(3,101,274)**	1,611,233
Loan from /(repayment) shareholders		**-**	(500,000)
Net proceeds from equity raising		**41,067,968**	7,014,829
Net cash outflow from financing activities		**37,966,694**	8,126,062
Net increase/(decrease) in cash held		**24,961,827**	5,707,576
Cash at beginning of the financial period		**9,155,825**	3,448,249
Closing cash and cash equivalents (net of overdrafts)	10	**34,117,652**	9,155,825

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

NOTE 1 • SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

EROAD Limited (the "Company") is a company domiciled in New Zealand registered under the Companies Act 1993 and listed on the NZX Main Board. The Company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013 and the Financial Statements have been prepared in accordance with the requirements of that Act and the Financial Reporting Act 2013. The consolidated financial statements comprise EROAD Limited and its subsidiaries (the "Group"). The Group provides electronic on-board units and software as a service to the heavy vehicle industry.

The financial statements for the Group are for the period ended 31 March 2015.
The financial statements were authorised for issue by the directors on 22 June 2015.

The accounting policies below have been applied consistently to all periods presented in these financial statements.

(a) Basis of preparation

Statement of compliance with IFRS
The consolidated financial statements comprise the following: Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes In Equity, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, and Accounting Policies and Notes to the Financial Statements contained on pages 25 to 59.

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate to Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards ("IFRS"). The Company is a reporting entity for the purposes of the Financial Reporting Act 2013 and its financial statements comply with that Act.

Basis of measurement
The financial statements are prepared on the historical cost basis, except for certain financial instruments carried at fair value as described in (g) and (h).

Going concern
The financial statements have been prepared using the going concern assumption.

Presentation currency
The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar ($). The functional currency of EROAD Limited is New Zealand Dollars (NZD).

Use of estimates and judgements
In preparing these consolidated financial statements in conformity with NZ IFRS, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period are included in the following notes:

- **Note 8**: recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used.
- **Note 13:** impairment testing for intangible assets, key assumptions underlying recoverable amounts, including the recoverability of development costs.

NOTE 1 • SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(b) Basis of Consolidation

The Group financial statements consolidate the financial statements of subsidiaries using the purchase method of accounting. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(c) Business Combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of contingent consideration are recognised in equity.

(d) Revenue

Hardware

Revenue from the sale of goods and services is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods, or where there is continuing management involvement with the goods.

In certain circumstances, the Group retains the significant risks and rewards of ownership of hardware products. In such cases the hardware assets are carried on the balance sheet and revenue relating to the hardware is accounted for as an operating lease and recognised in the statement of comprehensive income on a straight line basis over the term of the lease. Any lease incentives provided are recognised as an integral part of the total lease, over the term of the lease.

Service Fee Revenue

Revenue from services rendered is recognised in the Statement of Comprehensive Income in proportion to the stage of completion.

Transaction Fees

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

(e) Finance income and finance expenses

The Group's finance income and finance expenses include: interest payable and receivable recognised using the effective interest rate method, foreign exchange gains and losses and fair value movements on derivative financial instruments.

NOTE 1 • SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(f) Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(g) Financial Instruments

Derivative financial instruments

The Group may, on occasion, use derivative financial instruments to hedge its exposure to foreign currency fluctuations.

Derivatives are initially recognised at fair value; any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

Non-derivative financial instruments

The Group initially recognises loans and receivables, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets and liabilities into the following categories: loans and receivables and other financial liabilities.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade and other receivables and amounts owing from subsidiaries.

NOTE 1 • SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Other liabilities
The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

(h) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date. Fair values reflect the credit risk of the financial instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate.

The carrying value less impairment provision of trade receivables is assumed to approximate its fair value due to its short term nature. The fair value of non-current financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(i) Property, Plant and Equipment

Owned assets
Items of plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes the purchase consideration, and those costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Where an item of plant and equipment is disposed of, the gain or loss recognised in the statement of comprehensive income is calculated as the difference between the net sales price and the carrying amount of the asset.

Subsequent costs
The Group recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense in the period they are incurred.

Depreciation
Depreciation begins when the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. The following rates have been used:

Leasehold improvements	12 - 30%	Straight line
Leased equipment	20 - 33%	Straight line
Plant and equipment	9 - 30%	Straight line
Computer/Office equipment	36 - 60%	Straight line
Motor vehicles	20 - 30%	Straight line

The above rates reflect the estimated useful lives of the respected categories. Leasehold improvements are depreciated over the contracted lease term.

NOTE 1 • SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(j) Leases as a lessee

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases and the leased assets are not recognised on the Group's statement of financial position. Payments made under operating leases are recognised in the statement of comprehensive income on a basis representative of the pattern of benefits expected to be derived from the leased asset.

(k) Intangible assets

Research and Development

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the profit or loss when incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which is relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in the statement of comprehensive Income when incurred.

Amortisation

Amortisation is recognised in the statement of comprehensive Income on a per unit basis at a rate expected to amortise the intangible asset over the estimated useful life of intangible asset. The estimated useful lives for the current and comparative periods are as follows:

Patents	10-20 years
Development	5-7 years
Software	5-7 years

(l) Inventories

Inventories are valued at the lower of cost or net realisable value. Costs are based on actual costs, applying the first in first out principle, and include expenditure incurred in acquiring the inventories and bringing them to the existing condition and location. In the case of manufactured inventories, cost includes direct materials and labour.

NOTE 1 • SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(m) Foreign Currencies

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Foreign currency gains and losses are reported on a net basis as either finance income or finance expenses.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into NZD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into NZD at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in Other Comprehensive Income and accumulated in the translation reserve.

(n) Goods and Services Tax

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

(o) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Shared-based payments

The grant-date fair value of equity-settled share-based payment awards to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amounts recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between the expected and actual outcomes.

(p) Impairment of assets

The carrying amounts of the Group's assets other than inventories are reviewed at each balance date to determine whether there is any objective evidence of impairment. If any such indication exists, the assets recoverable amount is estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, an impairment test is undertaken to reduce the carrying amount of assets to the estimated recoverable amount and an impairment loss is recognised in the income statement.

Estimated recoverable amount receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is determined by estimating future cash flows from the use and ultimate disposal of the asset and discounting these to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

NOTE 1 • SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES (CONTINUED)

(q) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

(r) Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

(s) Segment reporting

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

(t) Standards issued but not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 April 2015, and have not been applied in preparing these consolidated financial statements.

NZ IFRS 15 Revenue from Contracts with Customers - The standard establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including NZ IAS 18 *Revenue*, NZ IAS 11 *Construction Contracts* and NZ IFRIC 13 Customer Loyalty Programmes. NZ IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017 with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of NZ IFRS 15.

NZ IFRS 9 Financial Instruments - The standard replaces the existing guidance in NZ IAS 39 *Financial Instruments: Recognition and Measurement.* NZ IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from NZ IAS 39. NZ IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Group is assessing the potential impact on its financial statements resulting from the application of NZ IFRS 9.

There are a number of other new or amended standards that are effective for the annual period beginning on or after 1 April 2015 that are not expected to have a significant impact on the Group's consolidated financial statements.

NOTE 2 • EXPENSES

		GROUP	
		2015	2014
	Notes	$	$
Personnel expenses	4	6,867,005	3,385,253
Purchase of materials		1,565,383	1,257,390
Auditor's remuneration - KPMG		143,500	95,000
Tax services - KPMG		131,417	26,000
Auditors remuneration for valuation and accounting advice - KPMG		-	45,149
Auditors remuneration for investigative accountants report in prospectus - KPMG		311,705	-
Operating lease expense	16	652,687	459,132
Directors fees	25	191,123	105,000

During the year the costs expensed in Research and Development was $2,061,984 (2014: $1,325,578).

The costs of listing expensed in the income statement are the proportion of the listing costs incurred when listing on the NZX Main Board, that relate to the shares held before allotment.

NOTE 3 • SEGMENTAL NOTE

The group has three reportable segments as described below, which are the group's strategic divisions. The strategic divisions offer different services and are managed separately because they require different technology, services and marketing strategies. For each strategic division, the group's CEO (the chief operating decision maker) reviews internal management reports. The following summary describes the operations in each of the group's segments.

EROAD reports selected financial information depending on the stage of its development in each market:

- *Development Markets:* the market opportunity has been validated, or has been identified and is in the process of being validated
- *Commercial Markets:* the market has been entered and trading has commenced
- *Established Markets:* a sustainable business has been established in the market.

Inter-segment pricing is determined on an arm's length basis.

Due to changes in the group and the information provided to the chief operating decision maker the group has changed its reportable segments from those reported in 2014. As a result, comparative amounts in the operating segment disclosure below have been restated to align with the current year's presentation.

NOTE 3 • SEGMENTAL NOTE (CONTINUED)

Reportable segment information

Information related to each reportable segment is set out below. Segment result represents net profit before tax, which is the measure reported to the chief operating decision maker.

	Development Markets		Commercial Markets		Established Markets	
	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$
Revenue	**-**	-	**384,078**	-	**18,537,842**	9,963,884
Net profit (loss) before taxation and costs of listing	**(2,061,984)**	(1,325,578)	**(1,098,204)**	-	**4,598,381**	2,345,355
Total assets	**2,131,001**	7,961,995	**2,321,177**	-	**70,259,021**	23,632,531

Reconciliation of information on reportable segments

GROUP	2015	2014
	$	$
Revenue		
Total revenue for reportable segments	**18,921,920**	9,963,884
Elimination of inter-segment revenue	**(1,371,597)**	-
Consolidated revenue	**17,550,323**	9,963,884
Net profit (loss) before taxation and costs of listing		
Total profit before tax for reportable segments	**1,438,193**	1,019,777
Elimination of inter-segment profit	**(342,635)**	-
Consolidated net profit (loss) before taxation and costs of listing	**1,095,558**	1,019,777
Total assets		
Total assets for reportable segments	**74,711,199**	31,594,526
Elimination of inter-segment balances	**(3,401,302)**	-
Consolidated total assets	**71,309,897**	31,594,526

NOTE 3 • SEGMENTAL NOTE (CONTINUED)

Geographic information

The geographic information below analyses the group's revenue and non-current assets by the company's country of domicile and other countries. In presenting the following information segment revenue has been based on the geographic location of customers and segment assets were based on the geographic location of the assets.

	2015	2014
GROUP	**$**	**$**
Revenue		
New Zealand	**16,969,719**	9,963,884
Other	**580,604**	-
Total revenue	**17,550,323**	9,963,884
Non-current assets		
New Zealand	**29,293,169**	19,297,752
Other	**1,941,487**	-
Total non-current assets	**31,234,656**	19,297,752

Non-current assets exclude financial instruments and deferred tax assets.

NOTE 4 • PERSONNEL EXPENSES

	GROUP	
	2015	**2014**
	$	**$**
Salaries and wages	**11,489,098**	7,236,271
Annual leave	**283,844**	121,281
Performance bonus	**650,080**	504,000
Share-based payments - equity settled	**148,707**	-
Salaries and wages capitalised	**(5,704,724)**	(4,476,299)
	6,867,005	3,385,253

NOTE 5 • LEASES AS A LESSOR

Operating leases

The Group leases out products on long-term rentals, usually for a period of 36 months. At 31 March, the future minimum lease payments (future contracted income) under non-cancellable operating leases are receivable as follows.

	GROUP	
	2015	2014
	$	$
Future minimum lease payments		
Not later than one year	**5,103,287**	2,711,522
Later than one year, not later than five years	**5,724,398**	2,836,196
Later than five years	**-**	-
	10,827,685	5,547,718

During the period $14,519,059 was recognised as revenue in relation to long-term rentals accounted for as operating leases and the related SaaS revenue (2014: $8,715,685).

Finance leases

The Group, on rare occasions, leases out hardware products for a period longer than the usual 36 month rental. In such circumstances the substance of the transaction is assessed and if it is considered that substantially all the risks and rewards incident to ownership have been transferred, the arrangement is accounted for as a finance lease. At 31 March, the future minimum lease payments (future contracted income) under non-cancellable leases are receivable as follows.

	Gross investment in the lease		Unearned finance income		Present value of minimum lease payments	
	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$
Not later than one year	**133,131**	-	**5,321**	-	**127,810**	-
Later than one year not later than five years	**199,696**	-	**17,140**	-	**182,556**	-
Later than five years	**-**	-	**-**	-	**-**	-
	332,827	**-**	**22,461**	**-**	**310,366**	**-**

During the period $65,565 was recognised in the statement of comprehensive income in relation to long-term rentals accounted for as finance leases.

Total Future Contracted Income

Amounts disclosed above in relation to future minimum lease payments (operating leases) and gross investment in leases (finance leases) only relate to the hardware element of long-term rentals accounted for as leases. The Total Future Contracted Income (hardware and SaaS) under non-cancellable long-term agreements at 31 March 2015 is $32,658,552 (2014: $17,845,322).

NOTE 6 • FINANCE INCOME & FINANCE EXPENSES

	GROUP	
	2015	2014
	$	$
Finance income		
Interest income	**825,575**	80,070
Foreign exchange gains	**18,087**	-
	843,662	80,070
Finance expenses		
Interest expense	**(86,020)**	(116,588)
Foreign exchange losses	**-**	(5,295)
	(86,020)	(121,883)
Net financing costs	**757,642**	(41,813)

NOTE 7 • INCOME TAX EXPENSE

	GROUP	
	2015	2014
	$	$
(a) Reconciliation of effective tax rate		
Profit/(Loss) before income tax	**(927,117)**	1,019,777
Income tax using the Company's domestic tax rate of 28%	**(259,593)**	285,538
Non-deductible expense/(non-assessable income)	**576,574**	1,429
Losses and timing differences (recognised)/not recognised	**(24,856)**	(2,208,720)
Effect of different tax rates	**1,438**	-
Income tax expense/(benefit)	**293,563**	(1,921,753)
(b) Current tax (benefit)/expense		
Current period	**-**	103,655
	-	103,655
(c) Deferred tax (benefit)/expense		
Current period	**293,562**	(2,025,409)
	293,562	(2,025,409)

At 31 March 2015 there were no imputation credits available to shareholders (2014: Nil)

NOTE 8 • DEFERRED TAX ASSETS / (LIABILITIES)

	GROUP	
	2015	2014
	$	$
Recognised deferred tax assets and liabilities		
Deferred tax assets and (liabilities) are attributable to the following:		
Tax loss carry forward	**1,866,205**	56,599
Property, plant and equipment	**(24,288)**	-
Deferred development expenditure	**(326,881)**	837,170
Provisions and accruals	**189,282**	122,893
Equity-settled share-based payments	**41,638**	-
Revenue recognition	**(96,202)**	905,091
Total deferred tax asset/(liability)	**1,649,754**	1,921,753

The movement in temporary differences has been recognised in profit or loss.
Deferred tax assets have been recognised at a rate of 28% at which they are expected to be realised.

Movement in temporary differences during the period:

GROUP	Balance 2015	Recognised in profit or loss	Under/(over) provided in prior periods	Balance 2014	Recognised in profit or loss	Balance 2013
	$	$	$	$	$	$
Tax loss carry forward	**1,866,205**	1,809,606	-	56,599	56,599	-
Property, plant and equipment	**(24,288)**	(24,288)	-	-	-	-
Deferred development expenditure	**(326,881)**	(1,189,215)	25,164	837,170	837,170	-
Provisions and accruals	**189,282**	66,700	(311)	122,893	122,893	-
Equity-settled share-based payments	**41,638**	41,638	-	-	-	-
Revenue recognition	**(96,202)**	(1,001,296)	3	905,091	905,091	-
Total	**1,649,754**	(296,855)	24,856	1,921,753	1,921,753	-

The New Zealand tax group consist of EROAD Limited, EROAD New Zealand Limited and EROAD Financial Services Limited. Losses incurred within this group are transferred freely within the group with no compensation being recognised. Deferred tax assets have been recognised in respect of these items because there is virtual certainty that future taxable profit will be available against which the Group can utilise the benefits.

NOTE 9 • PAID UP CAPITAL

All issued shares are fully paid up and have equal voting rights and share equally in dividends and surplus on winding up.

GROUP	Number of ordinary shares	Issue price $	Issued Capital $
At 31 March 2013	9,192,535		10,457,138
Issue of shares to staff	23,841	8.00	190,728
Issue of shares to current shareholders and new shareholders	600,479	8.00	4,803,832
Issue of shares to The Miromutu Trust	180,000	11.90	2,142,000
Cost relating to raising capital			(121,730)
At 31 March 2014	9,996,855		17,471,968
Issue of shares to staff	48,595	12.68	616,185
Held in trust as treasury stock			(616,185)
Issue of shares	129,796	12.68	1,645,812
	10,175,246		19,117,780
Share split at 4.5771 for each share	36,398,174		-
New shares issued on listing with NZX	13,333,248	3.00	39,999,744
New shares issued to directors	93,332	3.00	279,996
Cost relating to raising capital			(577,588)
At 31 March 2015	**60,000,000**		**58,819,932**

At 31 March 2015 there was 60,000,000 authorised and issued ordinary shares (2014: 9,996,855). 222,432 shares are held in trust for employees in relation to the long-term incentive plan and are accounted for as treasury stock.

The calculation of both basic and diluted earnings per share at 31 March 2015 was based on the profit/(loss) attributable to ordinary shareholders of ($1,220,680), (2014: $2,941,530) and a weighted number of ordinary shares of 56,612,679 (2014: 9,660,775 pre-share split). Earnings per share for the year ended 31 March 2014 has been adjusted to reflect the share split that occurred during the year ended 31 March 2015.

Other components of equity include:

- *Translation reserve* - comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign subsidiaries into New Zealand Dollars.
- *Retained earnings* - includes all current and prior period retained profits and share-based employee remuneration.

NOTE 10 • CASH AND CASH EQUIVALENTS

	GROUP	
	2015	2014
	$	$
Cash and bank	**4,611,093**	2,520,956
Term deposits	**20,000,000**	-
Restricted bank account	**9,506,559**	6,634,869
	34,117,652	9,155,825

The restricted bank relates to Road Users tax collected from clients due for payment to the local government agency.

NOTE 11 • TRADE AND OTHER RECEIVABLES

	GROUP	
	2015	2014
	$	$
Trade receivables	**2,220,538**	887,682
Provision for doubtful debts	**-**	-
	2,220,538	887,682
Prepayments and other receivables	**2,087,297**	331,514
	4,307,835	1,219,196

(a) Credit risk

The aging of the Group's Trade receivables at the reporting date was as follows:

	Gross	Allowance for doubtful debts	Gross	Allowance for doubtful debts
	2015	2015	2014	2014
GROUP	$	$	$	$
Not past due	**1,396,156**	**-**	762,122	-
Past due 1-30 days	**398,335**	**-**	47,765	-
Past due 31-60 days	**173,032**	**-**	31,452	-
Past due over 61 days	**253,015**	**-**	46,343	-
	2,220,538	**-**	887,682	-

NOTE 12 • PROPERTY, PLANT AND EQUIPMENT

GROUP	Leased equipment $	Plant and equipment $	Leasehold improvements $	Motor vehicles $	Office equipment $	Computers $	Total $
Year ended 31 March 2014							
Opening net book amount	4,261,230	60,425	178,774	209,708	102,169	596,778	5,409,084
Additions	5,040,914	8,079	203,875	248,491	158,356	646,057	6,305,772
Disposals	-	-	-	(71,667)	-	-	(71,667)
Depreciation charge	(1,652,619)	(17,519)	(204,222)	(66,726)	(37,705)	(340,920)	(2,319,711)
Closing net book amount	7,649,525	50,985	178,427	319,806	222,820	901,915	9,323,478
Cost	11,528,206	166,028	445,473	409,121	309,654	1,675,319	14,533,801
Accumulated depreciation	(3,878,681)	(115,043)	(267,046)	(89,315)	(86,834)	(773,404)	(5,210,323)
Net book amount	7,649,525	50,985	178,427	319,806	222,820	901,915	9,323,478

GROUP	Leased equipment $	Plant and equipment $	Leasehold improvements $	Motor vehicles $	Office equipment $	Computers $	Total $
Year ended 31 March 2015							
Opening net book amount	7,649,525	50,985	178,427	319,806	222,820	901,915	9,323,478
Additions	8,386,705	80,169	97,457	285,151	268,212	284,055	9,401,749
Disposals	-	-	-	(30,144)	-	-	(30,144)
Depreciation charge	(2,954,491)	(36,863)	(38,137)	(92,263)	(79,461)	(359,259)	(3,560,474)
Depreciation recovered	-	-	-	7,317	-	-	7,317
Effect of movement in exchange rates	(2,436)	-	-	(473)	(440)	-	(3,349)
Closing net book amount	**13,079,303**	**94,291**	**237,747**	**489,394**	**411,131**	**826,711**	**15,138,577**
Cost	19,914,911	246,197	542,930	664,127	577,866	1,959,374	23,905,405
Accumulated depreciation	(6,835,608)	(151,906)	(305,183)	(174,733)	(166,735)	(1,132,663)	(8,766,828)
Net book amount	**13,079,303**	**94,291**	**237,747**	**489,394**	**411,131**	**826,711**	**15,138,577**

Included in the Leased equipment is equipment under construction to be leased of $3,123,750 (2014: $2,378,537).

In the prior year the Group presented a portion of materials and finished hardware as inventory, as the expectation at the time was that these goods would be sold via outright sales. Given the strong demand for the long-term rental offering across all markets, all materials and finished hardware products have been classified as leased equipment under construction. Comparatives have been adjusted to align with the current year presentation.

NOTE 13 • INTANGIBLE ASSETS

GROUP	Patents $	Trade Marks $	Development $	Software $	Total $
Year ended 31 March 2014					
Opening net book amount	16,400	32,576	5,269,256	976	5,319,208
Additions	-	-	3,999,045	1,303,855	5,302,900
Disposals	-	-	-	-	-
Amortisation charge	(700)	-	(602,853)	(44,281)	(647,834)
Closing net book amount	15,700	32,576	8,665,448	1,260,550	9,974,274
Cost	17,800	32,576	9,865,997	1,329,616	11,245,989
Accumulated amortisation	(2,100)	-	(1,200,543)	(69,072)	(1,271,715)
Net book amount	15,700	32,576	8,665,454	1,260,544	9,974,274

GROUP	Patents $	Trade Marks $	Development $	Software $	Total $
Year ended 31 March 2015					
Opening net book amount	15,700	32,576	8,665,454	1,260,544	9,974,274
Additions	-	-	6,166,163	815,897	6,982,060
Disposals	-	-	-	-	-
Amortisation charge	(349)	-	(847,543)	(292,359)	(1,140,251)
Closing net book amount	**15,351**	**32,576**	**13,984,074**	**1,784,082**	**15,816,083**
Cost	17,800	32,576	16,032,159	2,145,513	18,228,048
Accumulated amortisation	(2,449)	-	(2,048,085)	(361,431)	(2,411,965)
Net book amount	**15,351**	**32,576**	**13,984,074**	**1,784,082**	**15,816,083**

The useful lives of the Group's Intangible Assets are assessed to be finite. Assets with finite lives are amortised over their useful lives and tested for impairment whenever there are indications that the assets may be impaired. Where an indicator of impairment exists the Group makes a formal assessment of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the greater of fair value less costs to sell of the assets value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

During the year ended 31 March 2015 there were no indicators of impairment.

NOTE 14 • TRADE PAYABLES AND ACCRUALS

	GROUP	
	2015	2014
	$	$
Trade creditors	**527,279**	436,698
Sundry accruals	**1,338,109**	826,126
	1,865,388	1,262,824

NOTE 15 • BORROWINGS

	GROUP	
	2015	2014
	$	$
Current borrowings		
Secured bank loan	**-**	3,101,274
	-	3,101,274

EROAD Financial Services Limited had a $5,000,000 facility of which $3,101,274 was drawn at 31 March 2014. The interest rate was variable and was at 6.5% at 31 March 2014. The facility was supported by the value of EROAD leases with certain clients (as defined in the banking agreement). During the period this facility was repaid in full following the Company's Initial Public Offering.

The parent also has an overdraft of a $1,000,000 facility of which no amount has been drawn at 31 March 2015 (2014: Nil). The facility is to allow for the working capital requirements of the business (if needed) and is on call. This facility matures on 31 July 2016.

EROAD's operating covenants to support the above facilities included interest cover, inventory security, equity ratios, and lease receivable ratios. EROAD was compliant with all covenants at 31 March 2014.

Terms and debt repayment schedule

			2015	2015	2014	2014
	Nominal Interest	Year of Maturity	Face Value	Carrying amount	Face Value	Carrying Amount
GROUP			$	$	$	$
Secured bank loan	6.5%	2014	-	-	3,101,274	3,101,274
			-	-	3,101,274	3,101,274

NOTE 16 • OPERATING LEASES AS A LESSEE

	GROUP	
	2015	2014
	$	$
Non-cancellable operating lease commitments due:		
Not later than one year	**662,976**	423,795
Later than one year not later than five years	**1,962,880**	1,777,423
Later than five years	**-**	-
	2,625,856	2,201,218
Operating lease expense recognised	**652,687**	459,132

The Group leases premises. Operating leases held over properties give the Group the right to renew the lease subject to redetermination of the lease rental by the lessor. The lease for the head office expires on 10 July 2019 and has a current annual rental of $563,967.

NOTE 17 • DEFERRED REVENUE

The Group has dealer agreements with third-party financiers. Under the terms of the dealer agreements, the third parties enter into a lease agreement with the Company's customers (where agreed by all parties) and the third party makes an upfront payment for the use of the Company's hardware products. Under the revenue recognition policy for hardware income it is deemed that the Company in substance retains the significant risks and rewards of ownership of the hardware assets. Revenue relating to hardware is therefore accounted for as an operating lease and recognised in the statement of comprehensive income on a straight-line basis over the term of the lease, and any amounts received in advance are included as deferred revenue. Under the terms of the dealer agreements, the Company would be liable to repay the third parties in the event the customer operating lease was cancelled prior to the end of the agreed term.

In addition, the Group provides hardware to clients under long-term rental agreements. These are accounted for as operating leases. If the Group receives any up-front payments for installation fees, these amounts are initially deferred and recognised in the statement of comprehensive income over the life of the rental agreement.

	GROUP	
	2015	2014
	$	$
Opening balance	**8,503,465**	6,783,724
Amounts deferred during the period	**4,602,797**	6,043,191
Amount recognised in the Statement of Comprehensive Income	**(5,710,870)**	(4,323,450)
	7,395,392	8,503,465

At 31 March 2015, $4,082,183 is expected to be recognised in the Statement of Comprehensive Income in the next financial period and has therefore been classified as current on the balance sheet (2014: $4,632,303).

NOTE 18 • FINANCIAL RISK MANAGEMENT

The Group's principal financial instruments include trade receivables and payables, cash and short term deposits, and advances from group companies.

As a result of the Group's operations and sources of finance, it is exposed to credit risk, liquidity risk and market risks which include foreign currency risk, commodity price risk and interest rate risk. These risks are described below.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the financial risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis upon which income and expenses are recognised, in respect of each class of financial asset and financial liability, are disclosed in the Statement of Accounting Policies to the financial statements.

The Group holds the following financial instruments:

	2015		2014	
	$	$	$	$
GROUP	Loans and receivables	Other amortised cost	Loans and receivables	Other amortised cost
Financial assets				
Cash and cash equivalents	**34,117,652**	**-**	9,155,825	-
Trade and other receivables	**2,220,538**	**-**	887,682	-
	36,338,190	**-**	10,043,507	-
Financial liabilities				
Borrowings	**-**	**-**	-	3,101,274
Trade and other payables	**-**	**1,865,388**	-	1,262,824
Payable to NZTA	**-**	**9,567,274**	-	6,629,209
	-	**11,432,662**	-	10,993,307

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and it arises principally from the Group's trade receivables from customers in the normal course of business.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The creditworthiness of a customer or counterparty is determined by a number of qualitative and quantitative factors. Qualitative factors include external credit ratings (where available), payment history and strategic importance of customer or counterparty. Quantitative factors include transaction size, net assets of customer or counterparty, and ratio analysis on liquidity, cash flow and profitability.

In relation to trade receivables, it is the Group's policy that all customers who wish to trade on terms are subject to credit verification on an ongoing basis with the intention of minimising bad debts. The nature of the Group's trade receivables is represented by regular turnover of product and billing of customers based on the Group's contractual payment terms.

NOTE 18 • FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The carrying amount of the Group's financial assets represents the maximum credit exposure as summarised above.

Refer to note 11 for an aging profile for the Group's trade receivables at reporting date.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they become due and payable. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they become due and payable, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Maturities of financial liabilities

The following table details the Group's contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, as at the reporting date:

	1 year or less	Over 1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
GROUP 2015	$	$	$	$	$
Non-derivative financial liabilities					
Trade and other payables	**1,865,388**	**-**	**-**	**1,865,388**	**1,865,388**
Payable to NZTA	**9,567,274**	**-**	**-**	**9,567,274**	**9,567,274**
	11,432,662	**-**	**-**	**11,432,662**	**11,432,662**

	1 year or less	Over 1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
GROUP 2014	$	$	$	$	$
Non-derivative financial liabilities					
Borrowings	3,140,137	-	-	3,140,137	3,101,274
Trade and other payables	1,262,824	-	-	1,262,824	1,262,824
Payable to NZTA	6,629,209	-	-	6,629,209	6,629,209
	11,032,170	-	-	11,032,170	10,993,307

NOTE 18 • FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Group is exposed to currency risk on sales transactions that are denominated in a currency other than the respective functional currencies of Group entities, primarily the US Dollar (USD) and Australian Dollar (AUD). The Group may, on occasion, enter into forward exchange contracts to hedge the exposure to foreign currency fluctuations on sales receipts.

The Group reports in New Zealand dollars. Movements in foreign currency exchange rates affect reported financial results, financial position and cash flows. Where practical, the Group attempts to reduce this risk by matching revenues and expenditures, as well as assets and liabilities, by country and by currency.

Foreign exchange rates applied against the New Zealand Dollar, at 31 March are as follows:

	2015	2014
	$	$
AUD 1	**0.99**	0.94
USD 1	**0.76**	0.86

The Group's exposure to foreign currency risk at the reporting date was as follows (all amounts are denominated in New Zealand Dollars):

	AUD	USD
2015	$	$
Cash and cash equivalents	**44,710**	**357,269**

	AUD	USD
2014	$	$
Cash and cash equivalents	-	332,130

Interest rate risk

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2015		2014	
		Carrying amount		Carrying amount
	%	$	%	$
Secured bank loan		-	6.5%	3,101,274
Net exposure to interest rate risk		-		3,101,274

NOTE 18 • FINANCIAL RISK MANAGEMENT (CONTINUED)

Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to foreign currency risk and interest rate risk.

	Foreign currency risk(1)				Interest rate risk(2)			
	-10%		+10%		-100bps		+100bps	
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
GROUP 2015	$	$	$	$	$	$	$	$
Cash and cash equivalents	(27,152)	(27,152)	27,152	27,152	(341,177)	(341,177)	341,177	341,177
Borrowings	-	-	-	-	-	-	-	-
Total increase/ (decrease)	(27,152)	(27,152)	27,152	27,152	(341,176)	(341,176)	341,176	341,176

	Foreign currency risk(1)				Interest rate risk(2)			
	-10%		+10%		-100bps		+100bps	
	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
GROUP 2014	$	$	$	$	$	$	$	$
Cash and cash equivalents	(27,789)	(27,789)	27,789	27,789	(91,558)	(91,558)	91,558	91,558
Borrowings	-	-	-	-	31,013	31,013	(31,013)	(31,013)
Total increase/ (decrease)	-	-	-	-	(60,546)	(60,546)	60,546	60,546

(1)The foreign currency sensitivity above represents a 10% decrease and increase in spot foreign exchange rates.
(2)The interest rate sensitivity above represents a 100 basis point decrease and increase in variable interest rates.

(d) Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital employed, which the Group defines as reported EBIT (Earnings Before Interest and Tax) divided by capital employed.

(e) Fair value measurement

The carrying amounts of the Group's financial assets and liabilities approximate their fair value due to their short maturity periods or fixed rate nature.

NOTE 19 • SHARE-BASED PAYMENTS

At 31 March 2015, the Group had the following share-based payment arrangements:

Employee Share Purchase Scheme - Scheme C (equity-settled)

On 1 April 2014, the Group established the Employee Share Purchase Scheme - Scheme C (ESPS) whereby eligible employees were invited to purchase EROAD shares.

Under the terms of the scheme the purchase of the shares is funded by a loan granted to the eligible employees by EROAD Limited. At the end of the vesting period the employee will be paid a net bonus in relation to the shares that vest to the employee, equal to the amount of their loan outstanding to the Company, enabling the loan to be repaid.

Shares issued under the scheme are held in trust for the employees during a 3 year restrictive period. If the employee ceases to be an employee during the restrictive period the Trustees will repurchase the employee's shares at the original issue price.

The eligible employees must meet certain performance conditions during each year of the restrictive period, as determined by the remuneration committee and approved by the board. 50% of the scheme shares initially granted will be forfeited for each year the participant fails to achieve their performance conditions. Additionally the employee's shares will also be forfeited if the enterprise value of the Company has not doubled by the end of the restrictive period.

Employee's shares that are forfeited due to failure to meet market and non-market performance conditions will be repurchased by the Trustees at the original grant date price.

The ESPS has been accounted for as grant of shares to employees in accordance with NZ IFRS 2. The key terms and conditions relating to the grants under this Scheme are as follows:

Grant date/ employees entitled	Shares granted	Vesting conditions	Vesting period
Shares granted to key management personnel			
On 1 April 2014	**51,171**	• 3 years' service from grant date • Employee's performance equal or greater than the company's as determined by remuneration committee • Enterprise value must double by end of restrictive period	3 years
Shares granted to other employees			
On 1 April 2014	**171,261**	• 3 years' service from grant date • Employee's performance equal or greater than the company's as determined by remuneration committee • Enterprise value must double by end of restrictive period	3 years
	222,432		

NOTE 19 • SHARE-BASED PAYMENTS (CONTINUED)

Measurement of fair value

As the grant date of the shares under the scheme was prior to the Group's listing on the NZX Main Board, the fair value of the shares issued was based on a valuation performed by an independent professional services firm. The fair value of future schemes will be determined based on the share price on the date. A discount was applied to the fair value of the shares issued under the scheme to reflect the non-vesting market condition.

The number of shares issued at grant date have been adjusted to reflect the impact of the share split that occurred during the period (refer to note 9). The number of shares granted and forfeited during the period were as follows:

	GROUP	
	2015	**2014**
	$	**$**
Outstanding at 1 April	**-**	-
Granted during the period	**222,432**	-
Forfeited during the period	**(7,706)**	-
Outstanding at 31 March	**214,726**	-

During the year ended 31 March 2015 an amount of $148,707 (2014: Nil) was recognised as an expense within the Statement of Comprehensive Income in relation to share-based payments.

NOTE 20 • CAPITAL COMMITMENTS

The capital expenditure commitments as at 31 March 2015 are Nil (2014: Nil).

NOTE 21 • CONTINGENT LIABILITIES

There are no contingent liabilities to report at 31 March 2015 (2014: Nil)

NOTE 22 • EVENTS SUBSEQUENT TO BALANCE DATE

There are no other events subsequent to balance date which have not already been taken up in the accounts (2014: Nil).

NOTE 23 • RECONCILIATION OF CASH FLOWS

	GROUP	
	2015	**2014**
	$	**$**
Reconciliation of operating cash flows with reported profit/(loss) after tax:		
Total comprehensive income/(loss) for the year	**(1,282,395)**	2,941,530
Add/(less) non-cash items		
Other non-cash expenses/(income)	**148,707**	(3,502,193)
Tax asset recognised	**271,999**	(1,921,753)
Depreciation and amortisation	**4,700,725**	2,967,545
	5,121,431	(2,456,401)
Add/(less) movements in other working capital items:		
Decrease/(increase) in debtors	**(3,088,639)**	(583,505)
Decrease /(increase) in inventory	**-**	(411,723)
Increase/(decrease) in deferred income	**(1,108,073)**	6,043,190
Increase /(decrease) in trade payables and accruals	**3,710,442**	3,173,705
	(486,270)	8,221,667
Net cash from operating activities	**3,352,766**	8,706,796

NOTE 24 • COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION

The Group's Investment Statement and Prospectus dated 18 July 2014 included prospective financial statements from 1 April 2014 to 31 March 2016. Below is the actual year's trading result covering the period 1 April 2014 to 31 March 2015, which is compared to the prospective financial statements.

Prospective Consolidated Statement of Comprehensive Income
For the year ended 31 March 2015

		GROUP	
		Actual 2015	Prospective 2015
	Notes	$	$
Continuing operations			
Revenue	(a)	**17,550,323**	19,027,000
Expenses	(b)	**(12,511,682)**	(14,040,000)
		5,038,641	4,987,000
Depreciation	(c)	**(3,560,474)**	(2,784,000)
Amortisation	(d)	**(1,140,251)**	(1,576,000)
Earnings before interest, taxation, and costs of listing		**337,916**	627,000
Finance income		**843,662**	875,000
Finance expense		**(86,020)**	(111,000)
Net financing costs		**757,642**	764,000
Profit/(loss) before tax expense and costs of listing		**1,095,558**	1,391,000
Costs of listing		**(2,022,675)**	(2,010,000)
Profit/(loss) before tax		**(927,117)**	(619,000)
Income tax (expense)/benefit		**(293,563)**	(400,000)
Profit/(loss) from continuing operations		**(1,220,680)**	(1,019,000)
Profit/(loss) after tax for the year attributable to the shareholders		**(1,220,680)**	(1,019,000)
Other comprehensive income		**(61,715)**	-
Total comprehensive income/(loss) for the year		**(1,282,395)**	(1,019,000)

NOTE 24 • COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Prospective Consolidated Statement of Financial Position
As at 31 March 2015

		GROUP	
		Actual 2015	Prospective 2015
	Notes	$	$
CURRENT ASSETS			
Cash and cash equivalents		**34,117,652**	40,274,000
Trade and other receivables	(e)	**4,307,835**	1,267,000
Inventory	(f)	**-**	1,507,000
Total Current Assets		**38,425,487**	43,048,000
NON-CURRENT ASSETS			
Property, plant and equipment	(f),(g)	**15,138,577**	8,983,000
Intangible assets	(h)	**15,816,083**	13,769,000
Deferred tax assets		**1,649,754**	1,587,000
Loans to Directors (to acquire shares)		**279,996**	280,000
Total Non-Current Assets		**32,884,410**	24,619,000
TOTAL ASSETS		**71,309,897**	67,667,000
CURRENT LIABILITIES			
Trade payables and accruals		**1,865,388**	1,289,000
Payable to NZTA	(i)	**9,567,274**	6,600,000
Deferred revenue		**4,082,183**	5,347,000
Employee entitlements		**718,867**	599,000
Total Current Liabilities		**16,233,712**	13,835,000
NON-CURRENT LIABILITIES			
Deferred revenue		**3,313,209**	1,944,000
Total Non-Current Liabilities		**3,313,209**	1,944,000
TOTAL LIABILITIES		**19,546,921**	15,779,000
NET ASSETS		**51,762,976**	51,888,000
EQUITY			
Share capital		**58,819,932**	58,831,000
Translation reserve		**(61,715)**	-
Retained earnings		**(6,995,241)**	(6,943,000)
TOTAL SHAREHOLDERS' EQUITY		**51,762,976**	51,888,000

NOTE 24 • COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

Prospective Consolidated Statement of Cash Flows
For the year ended 31 March 2015

		GROUP	
		Actual 2015	Prospective 2015
	Notes	$	$
Cash flows from operating activities			
Cash received from customers	(j)	**13,353,611**	17,766,000
Payments to suppliers and employees	(j)	**(11,673,877)**	(14,004,000)
Net interest received/ (paid)		**757,642**	764,000
Net tax paid		**-**	(65,000)
Net cash inflow from operating activities before listing costs and NZTA collections		**2,437,376**	4,461,000
Payments made to suppliers in listing on NZX		**(2,022,675)**	(2,000,000)
Net cash received from customers/ (paid to) NZTA	(k)	**2,938,065**	-
Net cash inflow from operating activities		**3,352,766**	2,461,000
Cash flows from investing activities			
Payments for purchase of property, plant & equipment		**(9,375,573)**	(3,951,000)
Payments for purchase of intangible assets		**(6,982,060)**	(5,370,000)
Net cash outflow from investing activities	(l)	**(16,357,633)**	(9,321,000)
Cash flows from financing activities			
Loan from / (repayment) bank		**(3,101,274)**	(3,101,000)
Loan from /(repayment) shareholders		**-**	-
Net proceeds from equity raising		**41,067,968**	41,359,000
Loans to Directors (to acquire shares)		**-**	(280,000)
Net cash outflow from financing activities		**37,966,694**	37,978,000
Net increase/(decrease) in cash held		**24,961,827**	31,118,000
Cash at beginning of the financial period		**9,155,825**	9,156,000
Closing cash and cash equivalents (net of overdrafts)		**34,117,652**	40,274,000

NOTE 24 • COMPARISON TO PROSPECTIVE FINANCIAL INFORMATION (CONTINUED)

EXPLANATIONS OF VARIANCES

(a) Revenue was below PFI, primarily due to the introduction, and high uptake, of a long-term rental offering in the US. The PFI had assumed outright sales in the US, however long-term rentals accounted for approximately 85% of all Units on Depot in the US. With the rental offering, the hardware revenue is spread over the life of the long-term lease, as opposed to outright hardware sales where the full hardware sale is recognised immediately. The group views that the commitment of customers under rental agreements provides an opportunity to deliver greater "lifetime value" to EROAD.

Total Units on Depot (23,915) was 3% below PFI Units on Depot (24,706) due to delays in establishing the rental offering and delays in recruiting sales staff in Oregon.

(b) Expenses were lower than PFI as a direct result of the reduction in revenue outlined above (a). With the higher demand for the rental offering, there was lower than forecast cost of sales relating to outright hardware sales. Rather than the full cost of the hardware being recognised immediately, when the hardware is rented the asset remains on the balance sheet and is depreciated over its expected useful life.

(c) Depreciation was higher than PFI largely a result of the higher-than-forecast leased assets balance, which was primarily due to higher rentals.

(d) Amortisation was lower than PFI in part due to the lower Units on Depot in the US. Amortisation is recognised in the statement of comprehensive income on a per unit basis.

(e) Trade and other receivables were higher than PFI primarily due to the higher rentals, which are billed monthly, and interest receivable.

(f) Given most units are expected to be rented rather than sold in the future, the Group now classifies both finished goods and hardware in progress as "Leased assets under construction" and these are now presented within Property, Plant and Equipment on the Group's balance sheet.

(g) Property, plant and equipment was higher than PFI. This is primarily due to the higher amount of leased assets as a result of funding a higher proportion of rental sales than the PFI forecast and the related lease establishment costs. Inventory balances have also been reclassified as leased assets under construction to reflect the fact that we expect most units to be rented in the future. In addition to the increase in leased assets there were additional fit-out costs for enlarged premises in both Auckland and Oregon.

(h) Intangible assets were higher than PFI due to additional investment in R&D focused on the North American market, and additional software development to support scalability. There was also lower-than-forecast amortisation due to the sales mix and the US Units on Depot being below PFI.

(i) Amounts payable to NZTA were higher than PFI, this is due to the timing of the cash being collected by NZTA and is offset by a corresponding increase in the NZTA restricted bank account.

(j) Net cash inflows from underlying operations were lower than PFI and were impacted by being 3% behind PFI on Units on Depot, and most significantly due to rental sales replacing outright unit sales.

(k) Cash flows in the restricted NZTA bank account were higher than PFI due to the timing of the NZTA cash collection cycle, this increase is offset by a corresponding increase in amounts payable to NZTA.

(l) Cash outflows from investing activities were higher than PFI primarily due to the additional rentals. There was also additional investment in development activities, and software to support these activities, resulting in a higher level of intangible assets.

NOTE 25 • RELATED PARTY TRANSACTIONS

The subsidiaries of the Company are:

Company	Country of Incorporation	Interest %	Principal activity
EROAD Financial Services Ltd	New Zealand	100	Financing activities within group
EROAD (New Zealand) Ltd	New Zealand	100	Non Trading
EROAD (Australia) Pty Limited	Australia	100	Transport Technology & SaaS
EROAD Inc	United States of America	100	Transport Technology & SaaS

All transactions with related parties are priced on an arm's length basis and are to be settled in cash on demand.

Key management personnel compensation comprised:

	GROUP	
	2015	2014
	$	$
Short-term employee benefits	**1,661,364**	2,048,848
Share-based payments	**129,076**	-
	1,790,440	2,048,848

During the period the company realigned certain budget responsibilities and reporting lines for senior employees. This has resulted in a reduction in the number of employees who are considered key management personnel for the purpose of this disclosure.

(a) Loans to key management personnel

There have been no loans to management personnel.

(b) Other transactions with key management personnel

There were no other transactions with key management personnel during the period. From time to time, key management personnel of the Group may purchase goods from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers and are trivial or domestic in nature.

(c) Remuneration of Non-Executive Directors

	2015	2014
	$	$
Michael Bushby	**65,223**	40,000
Anthony Gibson	**42,959**	28,000
Sean Keane	**42,959**	37,000
Candace Kinser	**39,982**	-
	191,123	105,000

The following additional fees were paid to certain Directors for additional consultancy in relation to the Company's IPO:

	2015	2014
	$	$
Sean Keane	**15,000**	-
Candace Kinser	**5,000**	-
	20,000	**-**

NOTE 25 • RELATED PARTY TRANSACTIONS (CONTINUED)

Sean Keane is also a Director of First NZ Capital. During the year ended 31 March 2015, First NZ Capital provided the Company with advisory and brokerage services to a value of $1,416,994 (2014: Nil). Amounts were charged on normal market rates for such services and were due and payable under normal payment terms. At 31 March 2015, an amount of $66,998 remained payable to First NZ Capital (2014: Nil).

(d) Loans to Non-executive Directors

In order to further align Director and Shareholder interests, during the year EROAD has provided loans to its non-executive Directors for the sole purpose of enabling each of them to subscribe for shares. The loans are secured, interest free and repayable upon the earlier of two years from the drawdown date or the date on which a Director ceases to hold any shares.

	2015	2014
	$	$
Michael Bushby	**69,999**	-
Anthony Gibson	**69,999**	-
Sean Keane	**69,999**	-
Candace Kinser	**69,999**	-
	279,996	**-**

(e) Remuneration of Executive Directors

	2015	2014
	$	$
Salary and bonus	**388,889**	596,753
Share-based payments	**35,441**	-
	424,330	596,753

INDEPENDENT AUDITOR'S REPORT

To the shareholders of EROAD Limited

We have audited the accompanying consolidated financial statements of EROAD Limited and its subsidiaries (''the group'') on pages 25 to 59. The financial statements comprise the consolidated statement of financial position as at 31 March 2015, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with generally accepted accounting practice in New Zealand (being New Zealand Equivalents to International Financial Reporting Standards) and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

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

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

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

Our firm has also provided other services to the group in relation to other assurance services and taxation consulting services. The firm has no other relationship with, or interest in, the group.

Opinion

In our opinion, the consolidated financial statements on pages 25 to 59 comply with generally accepted accounting practice in New Zealand and present fairly, in all material respects, the consolidated financial position of EROAD Limited as at 31 March 2015 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

KPMG

22nd June 2015

Auckland


Dairy Goat Co-operat
GROVE
POLLOCK CRANES

4.0

REGULATORY DISCLOSURES

Director Disclosures

DIRECTORS

The persons who held office as directors of EROAD Limited at any time during the year ended 31 March 2015, each of whom remains a director as at the date of this Annual Report, are as follows:

Michael Bushby	Chairman, Non-Executive, Independent
Steven Newman	Chief Executive Officer
Sean Keane	Non-Executive, Independent
Candace Kinser	Non-Executive, Independent
Anthony Gibson	Non-Executive, Independent

During the twelve months to 31 March 2015, Candace Kinser was appointed as an additional non-executive director by the directors effective on 1st May 2014.

SUBSIDIARY COMPANY DIRECTORS

The persons who held office as directors of subsidiary companies at 31 March 2015 are as follows:

EROAD (New Zealand) Limited (New Zealand)
Steven Newman, Michael Bushby, Sean Keane

EROAD Financial Services Limited (New Zealand)
Anthony Gibson, Sean Keane

EROAD (Australia) Pty Limited (Australia)
Michael Bushby, Steven Newman

EROAD Inc. (USA)
Steven Newman, Brian Michie

INTERESTS REGISTER

The following are the disclosures made in the interests register of the company and its subsidiaries during the year ended 31 March 2015:

General disclosures of interests by directors

In accordance with Section 140(2) of the Companies Act, the directors named below have made a general disclosure of interest by a general notice disclosed to the Board and entered in the company's interests register. General notices given by directors which remain current as at 31 March 2015 are as follows:

Michael Bushby

- General Manager Infrastructure Services, Leighton Contractors Pty Limited
- Director, Lowelly Pty Limited
- Director, 45 Mimosa Pty Limited
- Director, Gateway Motorway Services Pty Limited
- Director, Brisbane Motorway Services Pty Limited
- Director, Delron Cleaning Pty Limited
- Director, Delron Group Facility Services Pty Limited
- Director, Infocus Infrastructure Management Pty Limited
- Director, Leighton Boral Amey NSW Pty Limited
- Director, Leighton Boral Amey QLD Pty Limited
- Director, EROAD Offeror Limited*
- Director, Roads Australia Pty Limited*

Sean Keane

- Financial Market Consultant, Credit Suisse
- Non-Executive Director, First NZ Capital Holdings Limited
- Non-Executive Director, Foundation Life (NZ) Limited*
- Director, Triple T Consulting Limited*
- Director, SLK Asset Management Limited*

Anthony Gibson

- Chief Executive Officer, Ports of Auckland Limited
- Chairman, North Tugz Limited
- Director, Ports of Auckland Nominees Limited
- Director, Ports of Auckland Investments Limited
- Director, Freemans Bay Properties Limited
- Director, AMG Consulting Limited
- Director, Life Flight Trust

Candace Kinser

- Non-Executive Director, Talent International Limited (Australia)*
- Director, 660 Main Road Stoke Limited*
- Director, Longhorn Investments Limited*
- Director, Sagitas Consulting Limited*
- Chapter Director, Cloud Security Alliance (New Zealand Chapter)*
- Board Trustee, The Well Foundation*
- Advisory Board Member, University of Waikato: Cyber Security*
- Advisor, Palantir Technologies*

Steven Newman

- Director, NMC Trustees Limited*
- Director, EROAD Offeror Limited*
- Member, New Zealand Technology Industry Association Board

**Entries added by notices given by directors during the year ended 31 March 2015.*

The following details included in the company's interests register as at 31 March 2014 have been removed as at 31 March 2015:

- Anthony Gibson is no longer a Director of Conlinxx Limited
- Michael Bushby is no longer a Director of Westlink Motorway Services Pty Limited

Share dealings by directors

In accordance with Section 148(2) of the Companies Act, the Board has received disclosures from the directors named below of acquisitions or dispositions of relevant interests in the company between 1 April 2014 and 31 March 2015, and details of those dealings were entered in the company's interests register. The particulars of such disclosures are:

Michael Bushby

- is a director of Lowelly Pty Limited which purchased 29,001 ordinary shares, valued at $2.77 per share, on 15 June 2014.
- was issued with 23,333 ordinary shares, valued at $3 per share, on 26 June 2014.

Steven Newman

- is a director of NMC Trustees Limited which sold 778,111 ordinary shares, with a total effective value of $2.68 per share, on 30 June 2014;

Candace Kinser

- is a trustee for The Champagne Trust which 1) purchased 13,732 ordinary shares, valued at $2.77 per share, on 15 June 2014; and 2) was issued 23,333 ordinary shares, valued at $3 per share, on 26 June 2014.

Sean Keane

- is a director of SLK Asset Management Limited which 1) purchased 52,179 ordinary shares, valued at $2.77 per share, on 15 June 2014; 2) was issued with 23,333 ordinary shares, valued at $3 per share, on 26 June 2014; and 3) purchased 25,000 ordinary shares, valued at $3 per share, in the Initial Public Offering, on 15 August 2014.

Anthony Gibson

- 1) purchased 44,998 ordinary shares, valued at $2.77 per share, on 15 June 2014; and 2) was issued with 23,333 ordinary shares, valued at $3 per share, on 26 June 2014.

Use of company information

There were no notices from directors of the company requesting to use company information received in their capacity as directors that would not otherwise have been available to them.

Directors' and officers' insurance and indemnity

EROAD has arranged, as provided for under the company's constitution, policies of directors' and officers' liability insurance which, with a Deed of Indemnity entered into in favour of all directors of the company and its subsidiaries, ensures that generally directors will incur no monetary loss as a result of actions undertaken by them as directors. Certain actions are specifically excluded, for example, the incurring of penalties and fines that may be imposed in respect of breaches of the law.

Directors' relevant interests

Directors held relevant interests in the following ordinary shares in the company as at 31 March 2015:

Name	Ordinary shares
Steven Newman*	16,059,466
Michael Bushby	156,070
Sean Keane	609,396
Anthony Gibson	533,889
Candace Kinser	37,065

* Steven Newman also had a beneficial interest in 51,171 performance shares issued under the Performance Share Plan.

Shareholder Information

DISTRIBUTION OF SHAREHOLDERS AND HOLDINGS

Size of	Number of holders	%	Number of ordinary shares	%
1 to 999	115	13.9%	56,290	0.1%
1,000 to 4,999	409	49.4%	887,362	1.5%
5,000 to 9,999	107	12.9%	648,376	1.1%
10,000 to 49,999	126	15.2%	2,646,048	4.4%
50,000 to 99,999	26	3.1%	1,831,358	3.1%
100,000 and over	45	5.4%	53,930,566	89.9%
Total	**828**	**100%**	**60,000,000**	**100%**

The details above are as at 5 June 2015.

As disclosed in Note 9 of the Financial Statements, there were 222,432 (pre-split 48,595) performance shares on issue to 12 employees as at 31 March 2015. The company only has one class of shares on issue, ordinary shares, and these shares are listed on the NZX Main Board.

SUBSTANTIAL PRODUCT HOLDERS

According to notices given under the Financial Markets Conduct Act 2013, the substantial product holders in ordinary shares (being the only class of quoted voting products) of the company and their relevant interests according to the substantial product holder file as at 31 March 2015, were as follows:

Substantial product holder	Date of Notice	Number of shares	% of shares on issue at 31 March 2015
Steven Newman (includes NMC Trustees Limited's relevant interest)	15/8/2014	16,059,466	26.766%
NMC Trustees Limited as trustee of the NMC Investment Trust	15/8/2014	15,999,195	26.665%
EROAD Limited	15/8/2014	23,485,752	39.143%

The total number of ordinary shares (being the only class of quoted voting products) on issue in the company as at 31 March 2015 was 60,000,000.

PRINCIPAL SHAREHOLDERS

The names and holdings of the 20 largest registered shareholders in the company as at 5 June 2015 were:

Holder Name	Holding	%
NMC Trustees Limited	15,999,195	26.7
New Zealand Central Securities Depository Limited	15,904,877	26.5
SW Trust Services (Twelve) Limited	2,379,851	4.0
FNZ Custodians Limited	2,306,926	3.8
Brian Edward Michie	2,100,466	3.5
David Murray Jarrett & Julie Patricia Jarrett & Vlatkovich & McGowan Trustee Company Limited	1,752,814	2.9
Andrew Bowker	951,131	1.6
Brendon Thomas	915,425	1.5
Bruce Wilson & Stephanie Wilson & SW Trust Services (Thirteen) Limited	734,769	1.2
JB Were (NZ) Nominees Limited	710,964	1.2
Angela Jane McNaught & Colin Mason McNaught	663,225	1.1
Paul Geoffrey Hewlett & Catherine Patricia Carter & Hoffman Trustees Limited	655,725	1.1
Matu Trust Limited	631,890	1.1
SLK Asset Management Limited	603,996	1.0
Anthony Gibson	533,165	0.9
Jarred Blair Clayton	466,491	0.8
Alister Moss	450,000	0.8
Somac Holdings Limited	407,806	0.7
Nicholas Moor	386,609	0.6
Keegan Alexander Trustee Company Limited	299,049	0.5
Top 20 largest registered shareholders	**48,854,374**	**81.42**

Other Information

Shareholdings, over 1%, held through New Zealand Central Securities Depository Limited (NZCSD)

Holder Name	Holding	%
HSBC Nominees (New Zealand) Limited	3,800,500	6.3
Citibank Nominees (New Zealand) Limited	2,939,479	4.9
BNP Paribas Nominees (NZ) Limited	2,380,664	4.0
TEA Custodians Limited Client Property Trust Account	1,345,550	2.2
Accident Compensation Corporation	1,338,534	2.2
New Zealand Superannuation Fund Nominees Limited	1,100,705	1.8
HSBC Nominees (New Zealand) Limited A/c State Street	837,597	1.4
Shareholdings, over 1%, held through NZCSD	**13,743,029**	**22.9**

NZX WAIVERS

No waivers were sought from the NZX within the 12 month period prior to 31 March 2015.

DISCIPLINARY ACTION TAKEN BY THE NZX

The NZX has not taken any disciplinary action against the company during the financial year ended 31 March 2015.

AUDITOR'S FEES

KPMG has continued to act as auditor of EROAD and its subsidiaries. The amount payable by EROAD and its subsidiaries to KPMG as audit fees during the year ended 31 March 2015 was $143,500. The amount of fees payable to KPMG for non-audit work during the year ended 31 March 2015 was $443,122.

DONATIONS

There were no donations made by the company and its subsidiaries during the year ended 31 March 2015.

CREDIT RATING

The company does not currently have a credit rating.

5.0

GLOSSARY

Glossary

Annualised Recurring Revenue	Monthly Recurring Revenue recognised or expected to be recognised in the month of March by 12.
Auditor	KPMG
Companies Act	Companies Act 1993
Depot	EROAD's web-based platform that allows customers to manage (and pay) their RUC, WMT and fleet management services.
EBIT before non-operating costs	Earnings before non-operating costs, interest and tax.
Ehubo	EROAD's electronic distance recorder which replaces mechanical hubodometers. ® Ehubo is a trade mark registered in New Zealand
Electronic Logbook (ELB)	A substitute for a paper-based logbook, to ensure compliance with Hours of Service regulations. Hours of Service regulations place limits on when and how long commercial motor vehicle drivers may drive to ensure drivers have sufficient time to rest before getting behind the wheel.
EROAD	EROAD Limited, and where the context permits, includes its subsidiaries. ® EROAD is a trade mark registered in New Zealand
Future Contracted Income	Future Contracted Income is the total revenue to be earned from existing customer contracts in future periods.
FY	Financial year. If followed by (P) this indicates prospective information.
Heavy Vehicle	A truck, or a truck and trailer, weighing over: • 3.5 tonnes in New Zealand (required to pay RUC); • 12 tonnes in Oregon (required to pay WMT); or • 4.5 tonnes in Australia
International Fuel Tax Agreement (IFTA)	A cooperative agreement between all states (excluding Alaska and Hawaii) of the United States, and the Canadian provinces, designed to make it simpler for inter-jurisdictional carriers to report and pay fuel excise taxes, requiring only one fuel licence to operate across multiple jurisdictions.
International Registration Plan (IRP)	An agreement between all states (excluding Alaska, Hawaii and Washington D.C.) of the United States, and the Canadian provinces, for the registration of inter-jurisdictional vehicles. Registration fees are paid to a fleet's base jurisdiction, which then distributes them to other jurisdictions based on the miles travelled in each member jurisdiction.
Listing Rules	The listing rules applying to the NZX Main Board as amended from time to time.
Ministry of Transport (MOT)	The New Zealand government's principal transport policy adviser to the Minister and Associate Minister of Transport.
New Zealand Transport Agency (NZTA)	A government entity, whose role is to provide a link between government policy making and the operation of the sector. NZTA aims to achieve better use of existing transport capacity, more efficient freight and a resilient and secure transport network.
NZ GAAP or GAAP	New Zealand Generally Accepted Accounting Practice.

NZ IFRS	New Zealand equivalents to International Financial Reporting Standards.
NZX	NZX Limited
NZX Main Board	The main board equity security market, operated by NZX.
Oregon Department of Transportation (ODOT)	A department of the state government of Oregon, responsible for managing the state's transportation systems.
Oregon Trucking Association (OTA)	Serves as a conduit between Oregon's trucking industry and the public, government and regulatory agencies and other groups.
PFI	Prospective financial information for FY2015(P) and FY2016(P).
Recurring Revenue	The revenue EROAD expects to receive in future months from existing Units on Depot from monthly charging of services, monthly hardware rentals and current monthly rates of transaction fees.
Retention Rate	Retention Rate is the number of Units installed at the beginning of the period and retained on Depot at the end of the period as a percentage of the number of Units on Depot at the beginning of that period.
Road User Charges (RUC)	In New Zealand, RUC is applicable to Heavy Vehicles and all vehicles powered by a fuel not taxed at source. The charges are paid into a fund called the National Land Transport Fund, which is controlled by NZTA, and go towards the cost of repairing the roads.
Tubo	The trailer version of the Ehubo.
Total Contracted Units	Total Contracted Units represents the total Units subject to a customer contract and includes both Units on Depot and Units pending installment.
Unit	An EROAD device.
Units on Depot	The number of EROAD devices installed in vehicles and subject to a service contract with a customer.
Weight-Mile Tax (WMT)	A mileage-based tax imposed on Heavy Vehicles according to a combination of the number of axles and/or combined weight of the vehicle and the number of miles driven in Oregon, USA.

Directory

EROAD

NEW ZEALAND
260 Oteha Valley Road
Albany, Auckland, 0632

USA
7654 SW Mohawk Street
Tualatin, OR 97062

AUSTRALIA
Suite 10, 30 English Street
Essendon Fields, Vic 3041

SHARE REGISTRAR

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

SOLICITORS

Chapman Tripp
Level 35, ANZ Centre
23-29 Albert Street, Auckland 1010

AUDITOR

KPMG
KPMG Centre
18 Viaduct Harbour Avenue, Auckland 1010

BANKER

Bank of New Zealand
80 Queen Street
Auckland Central, Auckland 1010

With the health and safety reforms coming in 2015, Waitomo is now using EROAD's Electronic Logbook, Driver Vehicle Inspection Checklist and Service module to help us make sure everything is ship shape.

It's part of our company's philosophy of going paperless. Our drivers are no longer running around buying paper RUC licences or filling in paper logbooks. The EROAD system means information is now at everyone's fingertips. And it's the easiest to use system I've seen.

Leanne Milligan
Chief Financial Officer, Waitomo Group

INNOVATION AND INTEGRITY

EROAD.COM