

Actian Australia Pty Limited

ABN 91 116 893 326

Annual Report – 1 January to 31 December 2020

Actian Australia Pty Limited ABN 91 116 893 326

Financial report for the year ended 31 December 2020

DIRECTORS' REPORT

Your directors present their report together with the financial report of the company for the financial year ended 31 December 2020.

Directors

The names of the directors in office at any time during, or since the end of, the year are:

Marc David Monahan

Stephen Mark Padgett

Brett John Watson Miller

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Review of Operations

The profit of the company for the financial year after providing for income tax amounted to **\$2,578,619**.
(2019: \$76,662)

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activity

The Company's principal activity is that of providing software computer consulting services.

No significant change in the nature of providing this activity occurred during the year.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year that has significantly or may significantly affect either:

- The company's operations in future financial years
- The results of those operations in future financial years or
- The company's state of affairs in future financial years

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

There were no dividends paid or declared since the start of the financial year.

DIRECTORS' REPORT

Options

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

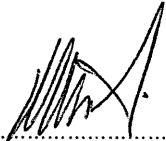
A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Dated this 21st of April 2021



.....
Director Marc Monahan



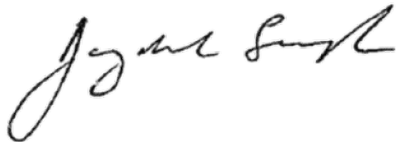
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Director Brett Miller

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
ACTIAN AUSTRALIA PTY LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2020 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Dated this 20th of April 2021



.....
Jack Singh
Registered Company Auditor – Goss & Clarke
Level 10, 189 Kent Street, Sydney NSW 2000

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDING 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Revenue	2	14,913,029	10,126,324
Less: Cost of Goods Sold		(10,226,089)	(8,217,811)
Gross profit		4,686,940	1,908,513
Commission		(147,174)	(91,977)
Accounting, Audit, Tax Services		(88,907)	(140,816)
Occupancy expenses		(44,941)	(76,446)
Depreciation		(8,793)	(9,778)
Employee benefit expenses		(923,828)	(1,263,906)
Finance costs		(11,791)	(21,294)
Other expenses		(70,124)	(184,465)
Profit before income tax		3,391,382	119,830
Income Tax expense	4	(812,763)	(43,168)
Profit for the year		2,578,619	76,662
Other comprehensive income for the year			
Total comprehensive income for the year			
Profit attributable to members of the entity		2,578,619	76,662
Total comprehensive income attributable to members of the entity		2,578,619	76,662

The accompanying notes form part of these financial statements.

Actian Australia Pty Limited ABN 91 116 893 326

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020	Restated 2019
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,477,545	751,229
Trade and other receivables	8	8,457,183	4,911,960
Current Tax Asset		3,746	5,945
Other assets	9	125,881	65,318
TOTAL CURRENT ASSETS		10,064,355	5,734,452
NON-CURRENT ASSETS			
Plant & Equipment	10	8,035	8,666
Loans	12	2,469,608	2,300,900
Intangible assets		26,151	26,151
TOTAL NON-CURRENT ASSETS		2,503,794	2,335,717
TOTAL ASSETS		12,568,149	8,070,169
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	21,377	26,577
Current tax liabilities	13	607,264	590,197
Deferred tax liabilities	13	2,626,317	1,669,083
Provisions	14	431,696	410,810
Deferred Revenue	15	2,152,946	1,233,902
TOTAL CURRENT LIABILITIES		5,839,600	3,930,569
NON-CURRENT LIABILITIES			
Deferred Revenue	15	13,983	3,653
TOTAL NON-CURRENT LIABILITIES		13,983	3,653
TOTAL LIABILITIES		5,853,583	3,934,222
NET ASSETS		6,714,566	4,135,947
EQUITY			
Issued capital	16	1	1
Retained earnings		6,714,565	4,135,946
TOTAL EQUITY		6,714,566	4,135,947

The accompanying notes form part of these financial statements.

Actian Australia Pty Limited ABN 91 116 893 326

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Issued Capital Ordinary \$	Retained Earnings \$	Total \$
Balance at 1 January 2019	1		(185,248)	(185,247)
Comprehensive income				
Profit for the year	-		76,662	76,662
Change due to take-up of AASB 15			2,000,288	2,000,288
Total comprehensive income for the year attributable to members of the entity	1		1,891,702	1,891,703
Total transactions with owners, and other transfers	-		-	-
Balance at 31 December 2019	1		1,891,702	1,891,703
Prior Year Error (refer Note 22)	-		2,244,244	2,244,244
Restated balance at 31 December 2019	1		4,135,946	4,135,947
Balance at 1 January 2020	1		4,135,946	4,135,947
Comprehensive income				
Profit for the year	-		2,578,619	2,578,619
	-		-	-
Total comprehensive income for the year attributable to members of the entity	1		6,714,565	6,714,566
Total transactions with owners, and other transfers	-		-	-
Balance at 31 December 2020	1		6,714,565	6,714,566

The accompanying notes form part of these financial statements.

Actian Australia Pty Limited ABN 91 116 893 326

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,602,812	7,314,855
Payments to suppliers and employees		(11,570,481)	(9,841,629)
Dividends received		-	-
Interest received		697	4,092
Finance costs		(11,791)	(19,470)
Income tax paid		(118,051)	(43,168)
Net cash provided by operating activities	19a	<u>903,186</u>	<u>(2,585,320)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment			
Proceeds from sale of available-for-sale investments			
Purchase of property, plant and equipment		(8,163)	(1,816)
Purchase of available-for-sale investments		-	-
Loan payments made to related parties		-	-
Loan repayments received from related parties		-	-
Net cash used in investing activities		<u>(8,163)</u>	<u>(1,816)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		(168,708)	1,339,182
Repayment of loans		-	-
Dividends paid		-	-
Net cash used in financing activities		<u>(168,708)</u>	<u>1,339,182</u>
Net increase in cash held		726,316	(1,247,954)
Cash and cash equivalents at beginning of financial year		751,229	1,999,183
Cash and cash equivalents at end of financial year	7	<u>1,477,545</u>	<u>751,229</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

The financial statements cover Actian Australia Pty Limited as an individual entity. Actian Australia Pty Limited is a company limited by shares, incorporated and domiciled in Australia. It also includes the activities of a branch in New Zealand. The company was controlled by a foreign company for all of the reporting period and is not consolidated for that period in financial statements lodged with the Australian Securities and Investments Commission.

The financial statements were authorised for issue on **DD/MM/2021** by the directors of the company.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

a. Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The company is subject to MAAL (Multi-national Anti-avoidance Law) requirements from the Australian Taxation Office.

b. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcome that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

c. Financial instruments

Initial recognition and measurement

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. The Company's financial assets comprise of receivable only.

(i) *Loan and Receivables*

Trade receivables, loans and other receivables (including seed funding) that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at cost less impairment.

(ii) *Impairment of financial assets*

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

(iii) *Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership for the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or 'other financial liabilities'. The Company has only other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

(i) *Other financial liabilities*

Other financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs.

(ii) *Derecognition of financial liabilities*

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

d. Foreign Currency Transactions and Balances

Functional and presentation currency

The Company's financial statements are presented in Australian Dollars (\$AUD) which is also the functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

e. Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

f.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

h.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

To determine whether to recognise revenue, the company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligations are satisfied.

All revenue is stated net of the amount of goods and services tax.

i.

Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. The collectability of debts is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

j. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

k. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

l. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the company retrospectively applies an accounting policy, makes a retrospective restatement, or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

m. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 2: REVENUE

	Note	2020 \$	2019 \$
Revenue			
Sales revenue:			
– Sales income		14,894,832	10,121,174
Other revenue:			
Other persons		697	4,092
– Realised gain		-	81
- Other revenue		17,500	977
Total revenue		14,913,029	10,126,324

NOTE 3: PROFIT BEFORE INCOME TAX

	2020 \$	2019 \$
a. Expenses		
Interest expense on financial liabilities not at fair value through profit or loss:		
– external	1,497	1,824
– related entities	10,294	19,470
Total finance costs	11,791	21,294
Employee benefits expense:		
– contributions to superannuation funds	93,081	116,345
Expenses: Other		
Foreign currency translation losses	47,767	24,026
	47,767	24,026

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 4: TAX EXPENSE

	Note	2020 \$	2019 \$
a. The components of tax (expense) income comprise:			
Current tax		144,471	(50,722)
Deferred tax	13	(957,234)	7,554
Recoupment of associated company's tax losses			
Under-provision in respect of prior years			
		(812,763)	(43,168)
b. The prima facie tax on profit before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit before income tax at 30%		1,017,415	35,948
Add:			
Tax effect of:			
– other non-allowable items		(204,652)	7,220
Less:			
Tax effect of:			
– rebateable fully franked dividends		-	-
– non-taxable capital profit on sale of investments		-	-
– Prior year adjustments		-	-
Income tax attributable to entity		812,763	43,168
The applicable weighted average effective tax rates are as follows:		24.0%	36.6%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel (KMP) of the company during the year are as follows:

	2020	2019
	\$	\$
Short-term employee benefits	-	-
Post-employment benefits	-	-
	<hr/>	<hr/>
	-	-
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Refer to Note 18 for related party transactions.

NOTE 6: AUDITOR'S REMUNERATION

	2020	2019
	\$	\$
Remuneration of the auditor:		
- auditing or reviewing the financial statements	15,750	15,000
- consulting services	-	-
	<hr/>	<hr/>
	15,750	15,000
	<hr/>	<hr/>

NOTE 7: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	1,477,545	751,229
	<hr/>	<hr/>
	1,477,545	751,229
	<hr/>	<hr/>

The effective interest rate on short-term bank deposits was 0%.

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash at bank and on hand	1,477,545	751,229
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 8: TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
CURRENT		
Trade receivables	7,969,331	4,911,960
Provision for impairment	-	-
	<u>7,969,331</u>	<u>4,911,960</u>
Other receivables		
Unbilled Receivables	487,852	-
Loans to directors	-	-
Loans to other related parties	-	-
Total current trade and other receivables	<u>8,457,183</u>	<u>4,911,960</u>

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
			< 30	31-60	61-90	> 90	
2020	\$	\$	\$	\$	\$	\$	\$
Trade receivables	7,969,331	-	7,957,537	9,253	2,541	-	7,969,331
Other receivables	487,852	-	487,852	-	-	-	487,852
Total	<u>8,457,183</u>	<u>-</u>	<u>8,445,389</u>	<u>9,253</u>	<u>2,541</u>	<u>-</u>	<u>8,457,183</u>

NOTE 9: OTHER ASSETS

	2020	2019
	\$	\$
CURRENT		
Prepayments	65,545	65,318
Other Assets	60,336	-
	<u>125,881</u>	<u>65,318</u>

NOTE 10: FIXED ASSETS

	2020	2019
	\$	\$
Plant & Equipment		
Computer Hardware	80,914	90,861
Less: Accumulated Depreciation – Computer Hardware	(73,232)	(82,732)
Office Furniture & Equipment	3,149	3,149
Less: Accumulated Depreciation – Office Furniture	(2,796)	(2,613)
Total Plant & Equipment	<u>8,035</u>	<u>8,666</u>

Actian Australia Pty Limited ABN 91 116 893 326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 11: CURRENT

	2020	2019
	\$	\$
Unsecured Liabilities:		
Trade payables	21,097	23,221
Other payables	280	3,357
	<u>21,377</u>	<u>26,578</u>

NOTE 12: LOANS

	2020	2019
	\$	\$
CURRENT ASSETS		
Loan - Intercompany	2,469,608	2,300,900

The loan is unsecured and is subject to an interest rate in accordance with OECD rates for Australia

NOTE 13: TAX BALANCES

	2020	2019
	\$	\$
CURRENT		
Income Tax	(271,504)	(15,878)
GST	878,768	606,074
TOTAL	<u>607,264</u>	<u>590,197</u>

	Opening	(Charged)/ Credited to	(Charged)/ Credited	Changes in	Exchange	Closing
	Balance	Profit or	Directly to	Tax Rates	Differences	Balance
	\$	Loss	Equity	\$	\$	\$
2020						
Deferred tax on:						
Provisions – employee benefits	103,755	(19,999)	-	-	-	83,756
Accruals	7,208	4,114	-	-	-	11,322
Other	6,762	1,938			-	8,700
Tax on deferred revenue	(824,989)	(943,287)	(961,819)			(2,730,095)
	<u>(707,264)</u>	<u>(957,234)</u>	<u>(961,819)</u>	-	-	<u>(2,626,317)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 14: PROVISIONS

	2020	2019
	\$	\$
CURRENT		
Provisions - Accrued Employee Benefits	431,696	410,810

	2020	2019
	\$	\$
Analysis of provisions		
Opening balance at 1 January	410,810	526,641
Additional provisions	219,329	220,308
Amounts used	198,443	336,139
Balance at 31 December	<u>431,696</u>	<u>410,810</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 15: DEFERRED REVENUE

	2020	2019
	\$	\$
CURRENT		
Deferred Revenue	2,152,946	4,439,965
NON-CURRENT		
Deferred Revenue	13,983	3,653

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 16: ISSUED CAPITAL

	No.
a. Ordinary shares	
At the beginning of the reporting period	1
At the end of the reporting period	<u>1</u>
Ordinary shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.	
At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.	

NOTE 17: LEASE COMMITMENTS

a. Finance Lease Commitments – None		
b. Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognised in the financial statements	2020	2019
Payable – minimum lease payments:		
Not later than 12 months	-	-
Between 12 months and 5 years	-	-
Later than 5 years	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 18: RELATED PARTY TRANSACTIONS

Related Parties

The company's main related parties are as follows:

a. Entities exercising control over the company

The ultimate parent entity, which exercises control over the company, is:
HCL Technologies SEP Holdings, INC.

b. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

c. Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family friends.

Transactions and outstanding balances with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties (i.e. at arm's length) unless the terms and conditions disclosed below state otherwise. The following transactions occurred with related parties:

	Note	2020	2019
		\$	\$
(i) Entities exercising control over the company			
Purchase of Goods and Services		10,107,342	8,101,432
Interest paid		10,294	19,470
Owing from holding Company	12	2,469,608	2,300,900
(ii) Key management personnel			
Short term employee benefits	5	-	-
(iii) Other related parties			
North Shore Accountancy P/L – consulting and accounting services		67,400	120,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 19: CASH FLOW INFORMATION

	2020	2019
	\$	\$
a. Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	2,578,619	76,662
Non-cash flows in profit:		
– depreciation and amortisation	8,793	9,778
– net gain on disposal of property, plant and equipment	-	-
– net gain on disposal of investments	-	-
– share of associate's net profit after dividends	-	-
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
– (increase)/decrease in trade and other receivables	(2,615,848)	(3,824,101)
– decrease/(increase) in other assets	(58,364)	10,214
– increase/(decrease) in trade and other payables	(5,202)	(1,920)
– increase/(decrease) in taxes payable	17,068	64,791
– (decrease)/increase in deferred taxes payable	957,234	849,710
– increase/(decrease) in provisions	20,886	229,546
	903,186	(2,585,320)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

NOTE 20: FINANCIAL RISK MANAGEMENT

	Note	2020	2019
		\$	\$
Financial assets			
Cash and cash equivalents		1,477,545	751,229
Loans and receivables		8,457,183	4,911,960
Loans		2,469,608	2,300,900
Available-for-sale financial assets:			
– at fair value:			
– listed investments		-	-
– unlisted investments		-	-
		<u>12,404,336</u>	<u>7,964,089</u>
Total financial assets		<u>12,404,336</u>	<u>7,964,089</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables		21,375	26,577
– loans		-	-
Total financial liabilities		<u>21,375</u>	<u>26,577</u>

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Bank overdrafts and loans	-	-	-	-	-	-	-	-
Trade and other payables	21,375	26,577	-	-	-	-	21,375	26,577
Finance lease liabilities	-	-	-	-	-	-	-	-
Total contractual outflows	<u>21,375</u>	<u>26,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,375</u>	<u>26,577</u>
Less bank overdrafts	-	-	-	-	-	-	-	-
Total expected outflows	<u>21,375</u>	<u>26,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,375</u>	<u>26,577</u>
Financial assets – cash flows realisable								
Cash and cash equivalents	1,477,545	751,229	-	-	-	-	1,477,545	751,229
Trade, term and loan receivables	-	-	8,457,183	4,911,960	-	-	8,457,183	4,911,960
Other investments	-	-	2,469,608	2,300,900	-	-	2,469,608	2,300,900
Total anticipated inflows	<u>1,477,545</u>	<u>751,229</u>	<u>10,926,791</u>	<u>7,212,860</u>	<u>-</u>	<u>-</u>	<u>12,404,336</u>	<u>7,964,089</u>
Net (outflow)/inflow on financial instruments	<u>1,477,545</u>	<u>751,229</u>	<u>10,926,791</u>	<u>7,212,860</u>	<u>-</u>	<u>-</u>	<u>12,404,336</u>	<u>7,964,089</u>

NOTE 21: COMPANY DETAILS

The registered office of the company is:

Actian Australia Pty Limited
Suite 108, 460 Pacific Highway, St Leonards NSW 2065

The principal place of business is:

Actian Australia Pty Limited
Suite 108, 460 Pacific Highway, St Leonards NSW 2065

NOTE 22: PRIOR YEAR ERROR

The following prior year error has been corrected as part of the preparation of the financial report for the year ended 31 December 2020:

- As a result of the proper application and interpretation of ASC606 in 2020, adjustment was recognised as to the timing and period of revenue recognition for all revenue contracts at 31 December 2019. It was not practicable to identify adjustments on a period specific basis and hence the cumulative adjustment was made to the closing retained earnings at 31 December 2019.

The effect resulted in restatement of following balances:

Statement of Financial Position (extract):

	Original	Adjustment	Restated
Deferred Revenue	4,439,965	(3,206,063)	1,233,902
Deferred Tax liabilities	707,264	961,819	1,669,083
Net Asset	<u>1,891,703</u>	<u>2,244,244</u>	<u>4,135,947</u>
Retained Earnings	1,891,702	2,244,244	4,135,946
Total Equity	<u>1,891,702</u>	<u>2,244,244</u>	<u>4,135,946</u>

Action Australia Pty Limited ABN 91 116 893 326

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Action Australia Pty Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 5 to 25, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements as stated in accounting policy note 1 to the financial statements and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 31 December 2020 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated this 21st of April 2021



.....
Director Marc Monahan



.....
Director Brett Miller

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIAN AUSTRALIA PTY LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Actian Australia Pty Limited (the company), which comprises Statement of Financial Position as at 31 December 2020, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 31 December 2020, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies, and the Directors' Declaration.

In our opinion:

- a. the accompanying financial report of Actian Australia Pty Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 December 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIAN AUSTRALIA PTY LIMITED

Auditor's Responsibilities for the Audit of the Financial Report

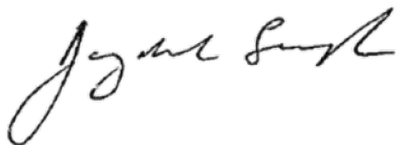
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Auditor's name and signature:



Jack Singh

Lead Auditor – Goss & Clarke

Level 10, 189 Kent Street, Sydney NSW 2000

Dated this 23rd of April 2021