

Action Australia Pty Limited

ABN 91 116 893 326

Annual Report – 1 January to 31 December 2018

Actian Australia Pty Limited ABN 91 116 893 326

Financial report for the year ended 31 December 2018

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 31 December 2018.

Directors

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

Marc David Monahan (appointed 03 December 2018)

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 \$ 181,676.

Significant Changes in the State of Affairs

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

Principal Activities

The Company's main business is to provide software computer consulting services.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Period

No significant change in the nature of these activities occurred subsequent to the end of the reporting period.

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

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.

Actian Australia Pty Limited ABN 91 116 893 326

DIRECTORS' REPORT

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

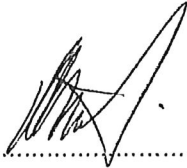
A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 4.

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

Dated this 30th of May 2019



.....
Director Stephen Padgett



.....
Director Brett Miller

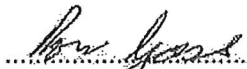
Actian Australia Pty Limited ABN 91 116 893 326

**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 2018 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 29th of May 2019



Ronald George Goss

Audit Director

Goss & Clarke

6th Floor, 10 Spring Street, Sydney NSW 2000

Actian Australia Pty Limited ABN 91 116 893 326

STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2018

	Note	2018	2017
		\$	\$
Revenue	2	9,843,337	10,581,363
Gross profit		9,843,337	10,581,363
Commission		65,492	130,538
Accounting, Audit, Tax Services		129,182	125,431
Occupancy expenses		77,328	100,805
Employee benefit expenses		1,218,725	1,256,094
Finance costs		4,292	1,993
Other expenses		8,072,793	8,657,466
Profit before income tax		275,525	309,036
Tax expense	4	93,849	93,726
Profit for the year		181,676	215,310
Total other comprehensive income for the year			
Total comprehensive income for the year		181,676	215,310
Profit attributable to members of the entity		181,676	215,310
Total comprehensive income attributable to members of the entity		181,676	215,310

Actian Australia Pty Limited ABN 91 116 893 326

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018	2017
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,999,183	5,128,359
Trade and other receivables	8	1,087,859	1,753,985
Current Tax Asset		6,801	-
Other assets	9	75,532	107,045
TOTAL CURRENT ASSETS		3,169,375	6,989,389
NON-CURRENT ASSETS			
Security Deposit			
Fixed Assets	10	16,628	30,868
Deferred Tax Asset	13	142,446	118,491
Intangible assets		26,151	26,151
TOTAL NON-CURRENT ASSETS		185,225	175,510
TOTAL ASSETS		3,354,600	7,164,899
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	28,498	24,419
Borrowings	12	1,298,767	
Current tax liabilities	13	526,262	555,765
Deferred tax liabilities		-	-
Provisions	14	526,641	520,089
Deferred Revenue	15	1,145,409	6,431,549
TOTAL CURRENT LIABILITIES		3,525,577	7,531,822
NON-CURRENT LIABILITIES			
Deferred Revenue	15	14,270	-
TOTAL NON-CURRENT LIABILITIES		14,270	-
TOTAL LIABILITIES		3,539,847	7,531,822
NET ASSETS		(185,247)	(366,923)
EQUITY			
Issued capital	16	1	1
Reserves		-	-
Retained earnings		(185,248)	(366,924)
TOTAL EQUITY		(185,247)	(366,923)

Action Australia Pty Limited ABN 91 116 893 326

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Issued Capital Ordinary \$	Retained Earnings \$	Revalu- ation Surplus \$	Financial Assets Reserve \$	General Reserve \$	Total \$
Balance at 1 January 2018		1	(366,924)	-	-	-	(366,923)
Comprehensive income							
Profit for the year		-	181,676	-	-	-	181,676
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income for the year attributable to members of the entity		1	(185,248)	-	-	-	(185,247)
Transfers from retained earnings to general reserve							
Transactions with owners, in their capacity as owners, and other transfers							
Dividends paid or provided for		-	-	-	-	-	-
Total transactions with owners, and other transfers		-	-	-	-	-	-
Balance at 31 December 2018		1	(185,248)	-	-	-	(185,247)

The accompanying notes form part of these financial statements.

Action Australia Pty Limited ABN 91 116 893 326

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		9,843,337	13,092,401
Payments to suppliers and employees		(14,719,064)	(10,057,907)
Dividends received		-	-
Interest received		14,281	42,653
Finance costs		(1,353)	(36,047)
Income tax paid		(93,849)	(93,726)
Net cash provided by operating activities	19a	<u>(4,956,648)</u>	<u>2,947,374</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		-	(24,823)
Purchase of available-for-sale investments			
Loan payments made to related parties		-	(528,705)
Loan repayments received from related parties		528,705	-
Net cash used in investing activities		<u>528,705</u>	<u>(553,528)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,298,767	-
Repayment of borrowings		-	(428,407)
Dividends paid		-	-
Net cash used in financing activities		<u>(3,129,176)</u>	<u>1,965,439</u>
Net increase in cash held		(3,129,176)	1,965,439
Cash and cash equivalents at beginning of financial year		5,128,359	3,162,920
Cash and cash equivalents at end of financial year	7	<u><u>1,999,183</u></u>	<u><u>5,128,359</u></u>

The accompanying notes form part of these financial statements.

Actian Australia Pty Limited ABN 91 116 893 326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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. 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 30th May 2019 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 2018

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. Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

c. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

d. Financial Instruments

Initial recognition and measurement

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

- (i) *Financial assets at fair value through profit or loss*
Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.
- (ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.
- (iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.
- (iv) *Available-for-sale investments*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v)

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

e.

Foreign Currency Transactions and Balances

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.

f.

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 2018

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.

g. 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.

h. 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.

i. 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. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement by the company in those goods.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established except for dividends received from associates, which are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

j. 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.

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. Refer to Note 1(g) for further discussion on the determination of impairment losses.

k. 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.

l. 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.

m. 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.

n. 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.

Actian Australia Pty Limited ABN 91 116 893 326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 2: REVENUE

	Note	2018	2017
		\$	\$
Revenue			
Sales revenue:			
– Sales income		9,819,215	10,518,009
Other revenue:			
– dividends received		-	-
– interests received		-	-
Related parties		-	-
Other persons		14,281	42,555
– Realised gain		9,840	20,701
- Other revenue		-	98
Total revenue		9,843,336	10,581,363

NOTE 3: PROFIT BEFORE INCOME TAX

	2018	2017
	\$	\$
a. Expenses		
Interest expense on financial liabilities not at fair value through profit or loss:		
– external	2,940	-
– related entities	1,352	-
– other related parties	-	-
Total finance costs	4,292	-
Employee benefits expense:		
– contributions to defined contribution superannuation funds	121,467	124,484
Expenses: Other		
Foreign currency translation losses	12,480	-
Bad and doubtful debts:		
– trade receivables	-	-
Total bad and doubtful debts	-	-
Rental expense on operating leases:		
– minimum lease payments	-	-
– contingent rents		

Actian Australia Pty Limited ABN 91 116 893 326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

— sublease payments

12,480

-

NOTE 4: TAX EXPENSE

	Note	2018	2017
		\$	\$
a. The components of tax (expense) income comprise:			
Current tax		(93,849)	(93,726)
Deferred tax	13	-	-
Recoupment of associated company's tax losses			
Under-provision in respect of prior years		(93,849)	(93,726)
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%		82,658	92,711
Add:			
Tax effect of:			
— other non-allowable items		24,257	35,456
— other non-allowable items		-	-
Less:			
Tax effect of:			
— rebateable fully franked dividends		-	-
— non-taxable capital profit on sale of investments		-	-
— Prior year adjustments		(13,066)	(34,441)
Income tax attributable to entity		93,849	93,726
The applicable weighted average effective tax rates are as follows:			

Action Australia Pty Limited ABN 91 116 893 326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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:

	2018	2017
	\$	\$
Short-term employee benefits	-	-
Post-employment benefits	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Refer to Note 17 for related party transactions.

NOTE 6: AUDITOR'S REMUNERATION

	2018	2017
	\$	\$
Remuneration of the auditor:		
— auditing or reviewing the financial statements	-	-
— consulting services	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 7: CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank and on hand	1,999,183	5,128,359
	<u>1,999,183</u>	<u>5,128,359</u>

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	1,999,183	5,128,359
	<u>1,999,183</u>	<u>5,128,359</u>

NOTE 8: TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
CURRENT		
Trade receivables	1,087,859	1,225,280
Provision for impairment	-	-
	<u>1,087,859</u>	<u>1,225,280</u>
Other receivables		
Loans to directors	-	-
Loans to other related parties	-	528,705
Total current trade and other receivables	<u>1,087,859</u>	<u>1,753,985</u>

	Gross Amount	Past Due and Impaired	Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms
2018	\$	\$	< 30	31-60	61-90	> 90	\$
Trade receivables	1,087,859	-	-	-	-	-	1,087,859
Other receivables	-	-	-	-	-	-	-
Total	<u>1,087,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,087,859</u>

Actian Australia Pty Limited ABN 91 116 893 326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 9: OTHER ASSETS

	2018	2017
	\$	\$
CURRENT		
Prepayments	75,532	107,045

NOTE 10: FIXED ASSETS

	2018	2017
	\$	\$
Plant & Equipment		
Computer Hardware	89,046	89,046
Less: Accumulated Depreciation – Computer Hardware	(73,269)	(59,344)
Office Furniture & Equipment	3,149	3,149
Less: Accumulated Depreciation – Office Furniture	(2,298)	(1,983)
Total Plant & Equipment	<u>16,628</u>	<u>30,868</u>

	2018	2017
	\$	\$
NOTE 11: CURRENT		
Unsecured Liabilities:		
Trade payables	28,498	24,419
Other payables	-	-
	<u>28,498</u>	<u>24,419</u>

NOTE 12: BORROWINGS

CURRENT		
Loan - Intercompany	<u>1,298,767</u>	<u>-</u>

Actian Australia Pty Limited ABN 91 116 893 326

NOTE 13: TAX BALANCES

	2018	2017
	\$	\$
CURRENT		
Income Tax	28,077	7,553
GST	498,185	548,212
TOTAL	<u>526,262</u>	<u>555,765</u>

	Opening Balance	(Charged)/ Credited to Profit or Loss	(Charged)/ Credited Directly to Equity	Changes in Tax Rates	Exchange Differences	Closing Balance
	\$	\$	\$	\$	\$	\$
2018	118,491					
Deferred tax on:						
Provisions – employee benefits		2,594				
Accruals		11,478				
Other		9,883				
	<u>118,491</u>	<u>23,995</u>				<u>142,446</u>

NOTE 14: PROVISIONS

	2018	2017
	\$	\$
CURRENT		
Provisions - Accrued Employee Benefits	526,641	520,089

	Employee Benefits	Total
	\$	\$
Analysis of provisions		
Opening balance at 1 JANUARY 2018	520,089	520,089
Additional provisions	6,552	6,552
Amounts used	-	-
Balance at 31 DECEMBER 2018	<u>526,641</u>	<u>526,641</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

	2018	2017
CURRENT		
Deferred Revenue	1,145,409	6,431,549
NON-CURRENT		
Deferred Revenue	14,270	-

NOTE 16: ISSUED CAPITAL

	No.
a. Ordinary shares	
At the beginning of the reporting period	1
At the end of the reporting period	1
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	2018	2017
		\$	\$
Total borrowings	12	1,298,767	-
Trade and other payables	11	28,498	24,419
Less cash and cash equivalents	7	(1,999,183)	(5,128,359)
Net debt		(671,918)	(5,103,940)
Total equity			
Total capital		1	1
Gearing ratio			

NOTE 17: LEASE COMMITMENTS

- a. Finance Lease Commitments – None
- b. Operating Lease Commitments

Action Australia Pty Limited ABN 91 116 893 326

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

Non-cancellable operating leases contracted for but not Recognised in the financial statements	2018	2017
Payable – minimum lease payments:	-	-
Not later than 12 months	-	-
Between 12 months and 5 years	-	-
Later than 5 years	-	-

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	2018	2017
		\$	\$
(i) Entities exercising control over the company			
Intercompany Loan	12	1,298,767	-
(ii) Key management personnel			
Short term employee benefits	5	-	-
(iii) Other related parties			
North Shore Accountancy P/L – consulting and accounting services		120,000	120,000

NOTE 19: CASH FLOW INFORMATION

	2018	2017
	\$	\$
a. Reconciliation of cash flows from operating activities with profit after income tax		
Profit after income tax	181,676	215,310
Non-cash flows in profit:		
– depreciation and amortisation	14,240	10,435
– 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	137,421	2,574,393
– decrease/(increase) in other assets	31,513	(6,290)
– (increase)/decrease in inventories	-	-
– increase/(decrease) in trade and other payables	4,079	8,198
– increase/(decrease) in taxes payable	(36,305)	60,112
– (decrease)/increase in deferred taxes payable	(23,955)	(17,220)
– increase/(decrease) in provisions	(5,265,317)	102,436
	<u>(4,956,648)</u>	<u>2,947,374</u>

NOTE 20: FINANCIAL RISK MANAGEMENT

	Note	2018 \$	2017 \$
Financial assets			
Cash and cash equivalents		1,999,183	5,128,359
Loans and receivables		1,087,859	1,753,985
Available-for-sale financial assets:			
– at fair value:			
– listed investments		-	-
– unlisted investments		-	-
		<u>3,087,042</u>	<u>6,882,344</u>
Total financial assets		<u>3,087,042</u>	<u>6,882,344</u>
Financial liabilities			
Financial liabilities at amortised cost:			
– trade and other payables		28,498	24,419
– borrowings		1,298,767	-
Total financial liabilities		<u>1,327,265</u>	<u>24,419</u>

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Bank overdrafts and loans			1,298,767					
Trade and other payables	29,498	24,419						
Finance lease liabilities								
Total contractual outflows	29,498	24,419	1,298,767					
Less bank overdrafts	-	-	-					
Total expected outflows	29,498	24,419	1,298,767					
Financial assets – cash flows realisable								
Cash and cash equivalents	1,999,183	5,128,359						
Trade, term and loan receivables			1,087,859	1,753,985				
Other investments								
Total anticipated inflows	1,999,183	5,128,359	1,087,859	1,753,985				
Net (outflow)/inflow on financial instruments	1,999,183	5,128,359	1,087,859	1,753,985				

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
NSW 2095

Action Australia Pty Limited ABN 91 116 893 326

DIRECTORS' DECLARATION

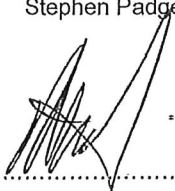
In accordance with a resolution of the directors of Action Australia Pty Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 5 to 24, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position as at 31 December 2018 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 30th of May 2019



.....
Director Stephen Padgett



.....
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 the statement of financial position as at 31 December 2018, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 31 December 2018, 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 2018 and of its financial performance for the year then ended; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 2018, 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.

Actian Australia Pty Limited ABN 91 116 893 326

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

Auditor's Responsibilities for the Audit of the Financial Report

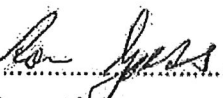
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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:


.....
Ronald George Goss

Audit Director - Goss & Clarke

6th Floor, 10 Spring Street, Sydney NSW 2000

Dated this 31st May 2019