

Incipient IT (Vietnam) Company Limited

**Special purpose financial report
for the financial period 23 February 2016 (date of
incorporation) to 30 June 2016**

Special purpose financial report for the period ended 30 June 2016

	Page
Directors' report	1
Independent auditor's report	3
Directors' declaration	5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10

Director's report

The director of Incipient IT (Vietnam) Company Ltd submits herewith the annual report of the company for the financial period ended 30 June 2016.

The name of the director of the company during or since the end of the financial period is:

Name

Justin Dibb (appointed February 2016)

The director has been in office since the start of the financial period to the date of this report unless otherwise stated.

Principal activities

The entity's principal activities are to build technology applications for businesses and individuals that assist with simplifying operations and scalability.

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

Review of operations

The company was incorporated on 23 February 2016.

A review of the operations of the company during the financial period and the results of those operations found that during the period, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

The loss of the company for the financial period amounted to \$39,849.

Changes in state of affairs

There was no significant change in the state of affairs of the company during the financial period.

Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

Future developments

Disclosure of information regarding likely developments in the operations of the company in future financial periods and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Dividends

In respect of the financial period ended 30 June 2016, no dividend was declared or paid.

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 period.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

Director



Justin Dibb

, 23 October 2017

Independent Auditor's Report to the Members of Incipient IT (Vietnam) Company Limited

We have audited the accompanying financial report, being a special purpose financial report, of Incipient IT (Vietnam) Company Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration as set out on pages 5 to 14.

Directors' Responsibility for the Financial Report

The director of the company is responsible for the preparation and fair presentation of the financial report and has determined that the basis of preparation described in Note 2 is appropriate to meet the financial reporting requirements of the director and is appropriate to meet the needs of the director. The director's responsibility also includes such internal control as the director determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial report.

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



Opinion

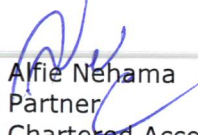
In our opinion, the financial report presents fairly, in all material respects, the financial position of Incipient IT (Vietnam) Company Limited as at 30 June 2016 and its financial performance for the period then ended in accordance with the financial reporting requirements of the director as described in Note 2.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Incipient IT (Vietnam) Company Limited to meet the financial reporting requirements of the director. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the directors and should not be distributed to or used by parties other than the directors.



DELOITTE TOUCHE TOHMATSU



Alfie Nehama
Partner
Chartered Accountants
Sydney, 23 October 2017

Director's declaration

As detailed in Note 2 to the financial statements, the company is not a reporting entity because in the opinion of the director there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the director's reporting requirements.

The director declares that:

- (a) in the director's 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; and
- (b) in the director's opinion, the attached financial statements and notes present fairly the financial position and performance of the company in accordance with the accounting policies set out in Note 2, including compliance with accounting standards

Signed in accordance with a resolution of the director.

Director



Justin Dibb

23 October 2017

Statement of profit or loss and other comprehensive income for the period ended 30 June 2016

	<u>Notes</u>	<u>2016</u> <u>\$</u>
Revenue	4	688,038
Cost of goods sold		<u>(258,653)</u>
Gross profit from trading		<u>429,385</u>
Administration expenses		(458,274)
Research and development expenses		(3,298)
Marketing expenses		(4,320)
Finance costs		<u>(3,342)</u>
Loss before income tax		<u>(39,849)</u>
Income tax expense		<u>-</u>
Loss for the period	3	<u>(39,849)</u>

Notes to the financial statements are included on pages 10 to 14.

Statement of financial position at 30 June 2016

	<u>Notes</u>	<u>2016 \$</u>
Assets		
Current assets		
Cash and cash equivalents	5	23,762
Trade and other receivables	6	313,213
Total current assets		336,975
Total assets		336,975
Liabilities		
Current liabilities		
Trade and other payables	7	343,265
Total current liabilities		343,265
Net assets		(6,290)
Equity		
Issued capital	8	33,559
Accumulated loss		(39,849)
Deficit		(6,290)

Notes to the financial statements are included on pages 10 to 14.

Statement of changes in equity for the period ended 30 June 2016

	Issued capital \$	Accumulated loss \$	Total \$
Balance on incorporation	33,559	-	33,559
Loss for the period	-	(38,849)	(39,849)
Balance at 30 June 2016	33,559	(38,849)	(6,290)

Notes to the financial statements are included on pages 10 to 14.

Statement of cash flows for the period ended 30 June 2016

	Notes	2016 \$
Cash flows from operating activities		
Receipts from customers		375,051
Payments to suppliers and employees		(384,460)
Net cash outflow from operating activities	10(b)	(9,409)
Cash flows from financing activities		
Net loans from related parties		(388)
Proceeds from issue of equity		33,559
Net cash inflow from financing activities		33,171
Net increase in cash and cash equivalents		23,762
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period	10(a)	23,762

Notes to the financial statements are included on pages 10 to 14.

Notes to the Financial Statements

1. General information

Incipient IT (Vietnam) Company Limited is a company, incorporated and operating in Vietnam.

The entity's principal activities are to build technology applications for businesses and individuals that assist with simplifying operations and scalability.

2. Significant accounting policies

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting needs. For the purposes of preparing the financial statements, the company is a for-profit entity.

Statement of compliance

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures'.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Deferred tax

Deferred tax assets in respect of tax losses have not been recognised. Determining the extent to which deferred tax asset balances should be recognised requires an estimation of future taxable profits. Budgets will be closely monitored and adjustments made in future periods if such adjustments are appropriate.

Development Costs

The Company has adopted a policy of capitalising development costs only for products for which an assessment is made that the product is technically feasible and will generate definite economic benefits for the company going forward. The capitalised costs are subsequently amortised over the expected useful life of the product. Development costs during the period have not been capitalised.

There were no critical accounting judgements nor critical accounting estimates in applying the company's accounting policies during the period.

Adoption of new and revised Accounting Standards

In the current period, the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

2. Significant accounting policies (continued)

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in the current liabilities in the statement of financial position.

(b) **Revenue**

Rendering of services

Development and consultant revenue is recognised by reference to completion of deliverables as at the contractual rates.

(c) **Income tax**

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws applicable in Vietnam that have been enacted or substantively enacted by reporting date.

(d) **Comparative information**

Incipient IT (Vietnam) Company Limited was incorporated on 23 February 2016. Accordingly, comparative information is not presented.

(e) **Going concern**

As at 30 June 2016, the statement of financial position reflected a working capital deficiency of \$6,290.

Notwithstanding the working capital deficiency position, the financial report has been prepared on a going concern basis as, Simble Solutions Limited, the company's parent entity, has confirmed it will continue to provide financial support to the Company.

2. Significant accounting policies (continued)

(f) Standards and Interpretations issued not yet effective

At the date of authorisation of the financial report, the Standards and Interpretations listed below were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the company's financial report.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial period ending
AASB 9 'Financial Instruments', and the relevant amending standards'	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 16 'Leases'	1 January 2019	30 June 2020

2016
\$

3. Loss for the period

Loss for the period has been arrived at after (crediting)/charging the following items of income and expense:

Research and Development expenses	3,298
Interest expense	<u>3,342</u>

4. Revenue

Revenue from rendering of services	<u>688,038</u>
------------------------------------	----------------

5. Cash and cash equivalents

Cash at bank and in hand	<u>23,762</u>
--------------------------	---------------

6. Trade and other receivables

Trade receivables	297,417
Other receivable	<u>1,985</u>

Amounts receivable from related entities:

Incipient Capital Limited	<u>13,811</u>
Net Trade Receivables	<u>313,213</u>

7. Trade and other payables

Trade creditors and accruals	329,842
Amounts payable to related entities:	
Simble Holdings (Hong Kong) Ltd	<u>13,423</u>
	<u>343,265</u>

8. Issued capital

25,000 fully paid ordinary shares	<u>33,359</u>
-----------------------------------	---------------

9. Contingent liabilities

There are no contingent liabilities as at 30 June 2016.

2016
\$

10. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash at bank	23,762
--------------	--------

(b) Reconciliation of profit/(loss) from ordinary activities after related income tax to net cash flows from operating activities

Profit for the period	209,742
-----------------------	---------

Changes in net assets and liabilities:

(Increase)/Decrease in assets:

Trade and other receivables	(39,849)
-----------------------------	----------

(Decrease)/Increase in liabilities:

Trade and other payables	(299,402)
--------------------------	-----------

Net cash provided by operating activities	(9,409)
---	---------

11. Subsequent Event

There has not been any matter or circumstance occurring subsequent to the end of the financial period that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.