

Trimantium GrowthOps Limited

Pro Forma Aggregated Financial Information - 30 June 2017

Trimantium GrowthOps Limited

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30 June 2017

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Trimantium GrowthOps Limited
Pro forma aggregated statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	Aggregated 2017 \$'000	2016 \$'000
Revenue			
Rendering of services		52,961	45,042
Disbursement income		16,573	20,208
		<u>69,534</u>	<u>65,250</u>
Other income	4	77	93
Expenses			
Disbursement expense		(16,573)	(20,208)
Management fees, consumables and associated costs		(9,247)	(6,044)
Employee benefits expense		(23,215)	(22,742)
Occupancy costs		(1,601)	(1,450)
Depreciation and amortisation expense		(531)	(606)
Professional and consultancy expenses		(1,194)	(1,118)
Other expenses	5	(4,683)	(4,215)
Finance costs	5	<u>(16)</u>	<u>(116)</u>
Profit before income tax expense		12,551	8,844
Income tax expense	6	<u>(3,537)</u>	<u>(2,434)</u>
Profit after income tax expense for the year		9,014	6,410
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(9)</u>	<u>-</u>
Other comprehensive income for the year, net of tax		<u>(9)</u>	<u>-</u>
Total comprehensive income for the year		<u><u>9,005</u></u>	<u><u>6,410</u></u>

The above pro forma aggregated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Trimantium GrowthOps Limited
Pro forma aggregated statement of net assets
As at 30 June 2017

	Note	Aggregated	
		2017	2016
		\$'000	\$'000
Assets			
Current assets			
Cash and cash equivalents	7	6,725	5,746
Trade and other receivables	8	11,348	11,354
Term deposit		279	502
Other assets	9	580	650
Total current assets		<u>18,932</u>	<u>18,252</u>
Non-current assets			
Property, plant and equipment	10	999	988
Intangibles	11	17	16
Deferred tax	12	552	544
Total non-current assets		<u>1,568</u>	<u>1,548</u>
Total assets		<u>20,500</u>	<u>19,800</u>
Liabilities			
Current liabilities			
Trade and other payables	13	5,991	5,667
Borrowings	14	129	352
Income tax		1,777	723
Provisions	15	1,355	1,410
Deferred revenue		3,656	2,781
Total current liabilities		<u>12,908</u>	<u>10,933</u>
Non-current liabilities			
Borrowings	16	48	31
Provisions	17	713	744
Total non-current liabilities		<u>761</u>	<u>775</u>
Total liabilities		<u>13,669</u>	<u>11,708</u>
Net assets		<u><u>6,831</u></u>	<u><u>8,092</u></u>

The above pro forma aggregated statement of net assets should be read in conjunction with the accompanying notes

Trimantium GrowthOps Limited
Pro forma aggregated statement of cash flows
For the year ended 30 June 2017

	Aggregated	
Note	2017	2016
	\$'000	\$'000
Cash flows from operating activities		
Profit before income tax expense for the year	12,551	8,844
Adjustments for:		
Depreciation and amortisation	531	606
Net loss on disposal of non-current assets	-	15
Foreign exchange differences	(9)	-
Interest received	(47)	(59)
Interest and other finance costs	16	116
	<u>13,042</u>	<u>9,522</u>
Change in operating assets and liabilities:		
Decrease in trade and other receivables	6	2,280
Decrease in prepayments	189	190
Increase/(decrease) in trade and other payables	324	(2,064)
Increase/(decrease) in employee benefits	(22)	403
Increase/(decrease) in other provisions	(64)	214
Increase/(decrease) in other operating liabilities	875	(1,948)
	<u>14,350</u>	<u>8,597</u>
Interest received	47	59
Interest and other finance costs paid	(16)	(116)
Income taxes paid	(2,491)	(2,530)
	<u>11,890</u>	<u>6,010</u>
Net cash generated from operating activities		
	<u>11,890</u>	<u>6,010</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(542)	(867)
Payments for security and term deposits	(1)	(109)
Proceeds from disposal of property, plant and equipment	-	3
Proceeds from release of security and term deposits	104	-
	<u>104</u>	<u>-</u>
Net cash used in investing activities	<u>(439)</u>	<u>(973)</u>
Cash flows from financing activities		
Proceeds from issue of shares	13	1
Proceeds from borrowings	-	399
Dividends/distributions paid	(10,279)	(3,788)
Repayment of borrowings	(206)	(391)
	<u>(10,472)</u>	<u>(3,779)</u>
Net cash used in financing activities		
	<u>(10,472)</u>	<u>(3,779)</u>
Net increase in cash and cash equivalents	979	1,258
Cash and cash equivalents at the beginning of the financial year	5,746	4,488
	<u>5,746</u>	<u>4,488</u>
Cash and cash equivalents at the end of the financial year	7 <u>6,725</u>	<u>5,746</u>

The above pro forma aggregated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The pro forma aggregated financial information ('Financial Information') is that of the Trimantium GrowthOps Aggregated Group which is made up of an aggregation of the entities detailed in note 23 ('the Group') which are entities that Trimantium GrowthOps Pty Ltd proposes to acquire.

The Financial Information has been prepared solely for the purpose of Trimantium GrowthOps Limited seeking admission into the Australian Stock Exchange ('ASX') through an initial public offering ('IPO') in or around November 2017. On IPO, it is proposed that Trimantium GrowthOps Limited will become both the legal and accounting parent of each of the aggregated entities contained within this pro forma aggregated financial information through acquisition of 100% of the ownership interest. This Financial Information aggregates the entities which will make up the proposed IPO Group except Trimantium GrowthOps Limited which was incorporated on 14 August 2017. The principles of aggregation are set out below.

The principal activities of each of the entities included within this aggregated pro forma financial information for each of the financial years presented was the provision of technology consulting services, leadership consulting services and advertising and creative solutions. No significant change in the nature of these activities occurred during the years.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of aggregation

This Financial Information comprises aggregated financial information and does not constitute consolidated financial information as required by AASB 10 'Consolidated Financial Statements'.

As at 30 June 2017 and 30 June 2016, there is no basis for the preparation of consolidated financial information as, pre-IPO, no acquisitions have occurred and therefore there is no common ownership of the entities which make up the Group. Consequently, no fair value adjustments have been made in relation to the aggregation as may be required when preparing consolidated financial information.

This aggregated financial information incorporates the book values of assets and liabilities of all the entities of the Group as at 30 June 2017 and 2016 and the results of these entities for the years then ended.

On IPO and simultaneous acquisition by Trimantium GrowthOps Limited of the entities detailed in note 23, acquisition accounting in accordance with Accounting Standard AASB 3: 'Business Combinations' will be applied with Trimantium GrowthOps Limited as the proposed parent entity.

In preparing the aggregated financial information, the following consolidation principles in relation to transactions and balances have been applied:

- All intercompany balances between entities within the Group including any unrealised profits or losses have been eliminated.
- All intercompany dividends and distributions within the Group have been eliminated.
- All intercompany transactions between entities in the Group have been eliminated.

Basis of preparation

The special purpose pro forma aggregated financial information has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AAS') and with the disclosure requirements of Australian Accounting Standards - Reduced Disclosure Requirements, except the requirements of the Australian Accounting Standards listed below:

- AASB 10 'Consolidated Financial Statements' - This Financial Information comprises aggregated financial information and does not constitute consolidated financial information as required by AASB 10 'Consolidated Financial Statements'.
- AASB 101 'Presentation of Financial Statements' - A statement of changes in equity has not been presented in this Financial Information as there is no common ownership of the entities which make up the Group.

The Financial Information has been prepared under the historical cost convention. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

Note 2. Significant accounting policies (continued)

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

At the date of authorisation of the pro forma aggregated financial information, the Standards and Interpretations that were issued but not yet effective are listed below.

AASB 9 'Financial Instruments', and the relevant amending standards (Effective for annual reporting periods beginning on or after 1 January 2018)

The Group is expected to adopt these standards from 1 July 2018.

AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15', and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15' (Effective for annual reporting periods beginning on or after 1 January 2018)

The Group is expected to adopt these standards from 1 July 2018.

AASB 16 'Leases' (Effective for annual reporting periods beginning on or after 1 January 2019)

The Group is expected to adopt this standard from 1 July 2019.

Management is currently assessing the effects of applying the new accounting standard on the group's financial information and at this stage there is no expected material impact for the adoption of AASB 15 and AASB 9 anticipated, however for the adoption of AASB 16 the impact is expected to materially 'gross-up' the Group's Consolidated Statement of Net Assets impacting key financial ratios. Management is performing a detailed assessment of these new standards which will be disclosed in due course.

Foreign currency translation

The financial information is presented in Australian dollars, which is Trimantium GrowthOps Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in the accounting records of the underlying entity and recognised in the other comprehensive income which is not presented in this pro forma aggregated statement of net assets.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Note 2. Significant accounting policies (continued)

Rendering of services

Revenue is recognised in profit or loss progressively as the projects are completed and approved by customers. Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract at reporting date and where the 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.

Disbursement revenue

Disbursement revenue recognised comprises the value of advertising production costs of clients that are subcontracted by the Group to external parties. The Group acts as principal for the production of these services. Disbursement revenue is recognised when services have been provided by the subcontractors with a corresponding disbursement expense recognised in profit or loss.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The entities forming part of the Group are not part of a tax consolidated group under Australian taxation law. As a result, the income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable, for each entity and this has been aggregated for the purposes of this pro forma aggregated financial information.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of net assets based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 2. Significant accounting policies (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Work in progress includes those projects where work has been performed but invoices have been issued after year end, due to milestones for invoicing yet to be reached, or customers approvals being delayed.

Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	over the term of the lease
Plant and equipment	2-15 years
Fixture and fittings	4-7 years
Office equipment	1-10 years
Motor vehicles	4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred. Patents and trademarks have an indefinite life and are not subsequently amortised.

Formation costs

Costs in relation to the formation of the consolidated entity are capitalised as an asset and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 2. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

Note 2. Significant accounting policies (continued)

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Dividends and distributions

Dividends and distributions are recognised when declared during the financial year and no longer at the discretion of the company.

Provision is made for the amount of any dividend and distribution declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at the reporting date.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of net assets.

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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial information requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 4. Other income

	Aggregated	
	2017	2016
	\$'000	\$'000
Rental income	-	32
Commissions	30	2
Interest	47	59
	<u>77</u>	<u>93</u>
Other income	<u>77</u>	<u>93</u>

Note 5. Expenses

	Aggregated	
	2017	2016
	\$'000	\$'000
Profit before income tax includes the following specific expenses:		
<i>Finance costs</i>		
Interest and finance charges paid/payable	<u>16</u>	<u>116</u>
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	<u>5</u>	<u>1</u>
<i>Net loss on disposal</i>		
Net loss on disposal of property, plant and equipment	<u>6</u>	<u>18</u>
<i>Rental expense relating to operating leases</i>		
Total rental expense relating to operating leases	<u>1,552</u>	<u>1,388</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>1,658</u>	<u>1,520</u>
<i>Other expenses</i>		
Travel expenses	678	600
IT and communication expenses	983	861
Other expenses	<u>3,022</u>	<u>2,754</u>
Total other expenses	<u>4,683</u>	<u>4,215</u>

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 6. Income tax expense

	Aggregated	
	2017	2016
	\$'000	\$'000
<i>Income tax expense</i>		
Current tax	3,545	2,447
Deferred tax - origination and reversal of temporary differences	(8)	(13)
Aggregate income tax expense	<u>3,537</u>	<u>2,434</u>
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets (note 12)	(8)	(13)
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	12,551	8,844
Tax at the statutory tax rate of 30%	3,765	2,653
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Permanent tax differences per tax calculation	(8)	(4)
Effect of different tax rates in entities operating in different jurisdictions	(80)	(28)
Other	(140)	(187)
Income tax expense	<u>3,537</u>	<u>2,434</u>

Note 7. Current assets - cash and cash equivalents

	Aggregated	
	2017	2016
	\$'000	\$'000
Cash at bank and on hand	6,708	5,718
Cash on deposit	17	28
	<u>6,725</u>	<u>5,746</u>

Note 8. Current assets - trade and other receivables

	Aggregated	
	2017	2016
	\$'000	\$'000
Trade receivables	10,112	10,126
Less: Provision for impairment of receivables	-	(22)
	<u>10,112</u>	<u>10,104</u>
Work in progress	916	231
Other receivables	135	56
Related party receivables	185	963
	<u>11,348</u>	<u>11,354</u>

The average credit period on rendering of services is 30 days. No interest is charged on trade receivables from the date of invoice.

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 8. Current assets - trade and other receivables (continued)

Impairment of receivables

The Group has recognised a recovery of \$22,000 (2016: loss of \$16,000) in profit or loss in respect of impairment of receivables for the year ended 30 June 2017.

Movements in the provision for impairment of receivables are as follows:

	Aggregated	
	2017	2016
	\$'000	\$'000
Opening balance	22	6
Additional provisions recognised	-	16
Receivables written off during the year as uncollectable	(22)	-
	<u>-</u>	<u>-</u>
Closing balance	<u>-</u>	<u>22</u>

Note 9. Current assets - other assets

	Aggregated	
	2017	2016
	\$'000	\$'000
Prepayments	421	610
Security deposits	159	40
	<u>580</u>	<u>650</u>

Note 10. Non-current assets - property, plant and equipment

	Aggregated	
	2017	2016
	\$'000	\$'000
Leasehold improvements - at cost	1,408	1,294
Less: Accumulated depreciation	(1,119)	(958)
	<u>289</u>	<u>336</u>
Plant and equipment - at cost	1,955	1,752
Less: Accumulated depreciation	(1,439)	(1,240)
	<u>516</u>	<u>512</u>
Fixtures and fittings - at cost	164	133
Less: Accumulated depreciation	(90)	(83)
	<u>74</u>	<u>50</u>
Motor vehicles - at cost	97	47
Less: Accumulated depreciation	(27)	(12)
	<u>70</u>	<u>35</u>
Office equipment - at cost	124	199
Less: Accumulated depreciation	(74)	(144)
	<u>50</u>	<u>55</u>
	<u>999</u>	<u>988</u>

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 11. Non-current assets - intangibles

	Aggregated	
	2017	2016
	\$'000	\$'000
Patents and trademarks - at cost	16	16
Formation costs	1	10
Less: Accumulated amortisation	-	(10)
	1	-
	17	16

Note 12. Non-current assets - deferred tax

	Aggregated	
	2017	2016
	\$'000	\$'000
<i>Deferred tax asset comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Impairment of receivables	-	7
Property, plant and equipment	-	(15)
Employee benefits	575	582
Other payables and provisions	44	14
Work in progress	(275)	(69)
Other adjustments	208	25
Deferred tax asset	552	544
<i>Movements:</i>		
Opening balance	544	531
Credited to profit or loss (note 6)	8	13
Closing balance	552	544

Note 13. Current liabilities - trade and other payables

	Aggregated	
	2017	2016
	\$'000	\$'000
Trade payables	2,829	2,804
Other payables and accrued expenses	2,298	1,576
Related party payables	3	697
GST payable	861	590
	5,991	5,667

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 14. Current liabilities - borrowings

	Aggregated	
	2017	2016
	\$'000	\$'000
Bank loans	-	43
Loan	110	271
Hire purchase	19	38
	<u>129</u>	<u>352</u>

Refer to note 16 for further information on assets pledged as security and financing arrangements.

Loan

The loan facility limit was \$286,000 and expired in December 2016. The loan was fully paid by the reporting date.

Note 15. Current liabilities - provisions

	Aggregated	
	2017	2016
	\$'000	\$'000
Annual leave	853	990
Long service leave	502	420
	<u>1,355</u>	<u>1,410</u>

Note 16. Non-current liabilities - borrowings

	Aggregated	
	2017	2016
	\$'000	\$'000
Hire purchase	48	31

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Aggregated	
	2017	2016
	\$'000	\$'000
Bank loans	-	43
Hire purchase	67	69
	<u>67</u>	<u>112</u>

Assets pledged as security

The bank loans are secured by a directors' guarantee.

The hire purchase liabilities are effectively secured as the rights to the leased assets, recognised in the statement of net assets, revert to the lessor in the event of default.

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 16. Non-current liabilities - borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Aggregated	
	2017	2016
	\$'000	\$'000
Total facilities		
Bank loans	-	286
Hire purchase facility	67	69
Other loans	110	271
	<u>177</u>	<u>626</u>
Used at the reporting date		
Bank loans	-	43
Hire purchase facility	67	69
Other loans	110	271
	<u>177</u>	<u>383</u>
Unused at the reporting date		
Bank loans	-	243
Hire purchase facility	-	-
Other loans	-	-
	<u>-</u>	<u>243</u>

Bank loans

The loan facility limit was \$286,000 and expired in December 2016. The loan was fully paid by the reporting date.

Note 17. Non-current liabilities - provisions

	Aggregated	
	2017	2016
	\$'000	\$'000
Long service leave	563	530
Lease make good	150	214
	<u>713</u>	<u>744</u>

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Aggregated - 2017	Lease make good \$'000
Carrying amount at the start of the year	214
Unused amounts reversed	<u>(64)</u>
Carrying amount at the end of the year	<u>150</u>

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 18. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 19. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Aggregated	
	2017	2016
	\$	\$
Aggregate compensation	<u>3,015,365</u>	<u>2,233,412</u>

Note 20. Contingent liabilities

The Group has the following contingent liabilities:

	Aggregated	
	2017	2016
	\$'000	\$'000
Bank guarantee	<u>138</u>	<u>121</u>

Note 21. Commitments

	Aggregated	
	2017	2016
	\$'000	\$'000
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,238	1,282
One to five years	<u>2,494</u>	<u>1,801</u>
	<u>3,732</u>	<u>3,083</u>
<i>Hire purchase liabilities</i>		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	-	7
One to five years	<u>-</u>	<u>13</u>
	-	20
Less: Future finance charges	<u>-</u>	<u>(1)</u>
Net commitment recognised as liabilities	<u>-</u>	<u>19</u>

Operating lease commitments includes contracted amounts for various offices under non-cancellable operating leases expiring within 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Hire purchase lease commitments include contracted amounts for various plant and equipment with a written down value of \$nil (2016: \$19,000) under finance leases expiring within 1 to 5 years. Under the terms of the leases, the Group has the option to acquire the leased assets for predetermined residual values on the expiry of the leases.

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Dividends and distributions

Dividends and distributions paid during the year \$10,279,435 (2016: \$3,788,000).

Transactions with related parties

Related parties traded with each other during the current and previous financial year. Disclosures regarding closing balances of related party receivables / payables and related party loan balances are disclosed below.

Receivable from and payable to related parties

The following balances with related parties that are not members of the Group that were outstanding at the end of the reporting period:

	Aggregated	
	2017	2016
	\$	\$
Current receivables:		
Director related entities of The Institute of Executive Coaching and Leadership Australia Pty Ltd	209,847	182,993
Director related entities of The Institute of Executive Coaching and Leadership (HK) Limited	35,528	33,646
Director related entities of KDIS Pty Ltd	80,471	118,523
Director related entities of Rumble Asia Limited and Trimantium GrowthOps Singapore Pte Ltd	61,644	16,670
Director related entities of Khemistry Pty Ltd	98,402	542,906
Director related entities of jTribe Holdings Pty Ltd ATF jTribe Holdings Unit Trust	-	1,207
Current payables:		
Director related entities of AJF Partnership	(17,755)	(15,876)
Director related entities of First Floor Films Pty Ltd	(8,388)	(43,729)
Director related entities of Rumble Asia Limited and Trimantium GrowthOps Singapore Pte Ltd	(65,720)	(466,174)
Director related entities of 3WKS Pty Ltd	(996)	(996)
Director related entities of Khemistry Pty Ltd	-	(12,339)

The above amounts outstanding are unsecured and interest free and have no repayment terms.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Aggregated	
	2017	2016
	\$	\$
Loans from related parties:		
Loans from directors and director related entities of Voodoo Creative Pty Ltd*	(224,424)	(158,000)

* The Group has been provided the above loans which are interest free and unsecured. The amounts are payable on demand.

Other terms relating to related party balances

It is a condition precedent in the respective Share Purchase Agreements between the Vendors of the above entities and Trimantium GrowthOps Limited (the proposed acquirer) that all related party balances are to be settled at the time of the IPO with the intention that no related party balances are carried forward in the post-IPO Group.

Trimantium GrowthOps Limited
Notes to the pro forma aggregated financial information
30 June 2017

Note 23. Aggregated entity details

The aggregated financial information incorporate the assets, liabilities and results of the following entities in accordance with the accounting policy described in note 2:

Name	Financial year end	Principal place of business / Country of incorporation
AJF Partnership Pty Ltd	30 June	Australia
First Floor Films Pty Limited	30 June	Australia
Rumble Asia Limited	30 June	Hong Kong
Moshi Asia Pty Ltd *	30 June	Australia
Trimantium GrowthOps Singapore Pte Ltd (formerly Rumble Asia Pte. Ltd	30 June	Singapore
The Institute of Executive Coaching and Leadership Australia Pty Ltd	30 June	Australia
The Institute of Executive Coaching and Leadership (HK) Limited	31 March	Hong Kong
KDIS Pty Ltd	30 June	Australia
3WKS Pty Ltd	30 June	Australia
Khemistry Pty Ltd	30 June	Australia
jTribe Holdings Pty Ltd ATF jTribe Holdings Unit Trust	30 June	Australia
Voodoo Creative Pty Ltd *	30 June	Australia
Gusto Holdings Pty Ltd ATF Gusto Unit Trust	30 June	Australia

* Entities included in year ended 30 June 2017 but not included in year ended 30 June 2016.

Note 24. Events after the reporting period

Subsequent to year end, the Group has undertaken steps to offer investment in the Group through an Initial Public Offering.

The Group has entered into conditional Share Purchase Agreements with vendors of the entities in note 23. One of the conditions precedent is that the acquisition of the entities is conditional on the Initial Public Offering occurring within the time frame stipulated in the agreements.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Trimantium GrowthOps Limited
Directors' declaration
30 June 2017

In the directors' opinion:

- the attached Pro forma Aggregated Financial Information complies with the recognition and measurement criteria of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and with the disclosure requirements of Australian Accounting Standards - Reduced Disclosure Requirements to the extent described in Note 2;
- the attached Pro forma Aggregated Financial Information gives a true and fair view of the Aggregated Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe the Aggregated Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors



Phillip Kingston
Director

10 November 2017
Melbourne

Independent Auditor's Report to the Directors of Trimantium GrowthOps Limited

Opinion

We have audited the Pro forma Aggregated Financial Information (the "Pro forma Aggregated Financial Information") of proposed acquisitions of Trimantium GrowthOps Limited (the "Company") as defined in Note 23 (the "Aggregated Group"), which comprises the Pro forma Aggregated Statement of Net Assets as at 30 June 2017, the Pro forma Aggregated Statement of Profit or Loss and the Pro forma Aggregated Statement of Cash Flows for the year then ended, and notes to the Pro forma Aggregated Financial Information including a summary of significant accounting policies and a declaration by directors.

In our opinion, the accompanying Pro forma Aggregated Financial Information presents fairly, in all material respects, the Pro forma Aggregated Net Assets of the Aggregated Group as at 30 June 2017 and of the Aggregated Group's Pro forma Aggregated Profit or Loss and Pro forma Aggregated Cash Flows for the year ended in accordance with the basis of preparation described in Note 2 to the Pro forma Aggregated Financial Information.

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 Pro forma Aggregated Financial Information section of our report. We are independent of the Aggregated Group in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Basis of Accounting

We draw attention to Note 2 to the Pro forma Aggregated Financial Information, which describes the basis of accounting. The Pro forma Aggregated Financial Information has been prepared to assist the Company to meet its financial reporting requirements relating to a proposed initial public offering. As a result, the Pro forma Aggregated Financial Information 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. Our opinion is not modified in respect of this matter.

Responsibilities of Management for the Pro forma Aggregated Financial Information

Management of the Company is responsible for the preparation of the Pro forma Aggregated Financial Information in accordance with the basis of preparation described in Note 2 and for such internal control as management determine is necessary to enable the preparation of the Pro forma Aggregated Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Pro forma Aggregated Financial Information, management is responsible for assessing the ability of the Aggregated Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Aggregated Group or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Aggregated Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Pro forma Aggregated Financial Information

Our objectives are to obtain reasonable assurance about whether the Pro forma Aggregated Financial Information 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 Pro forma Aggregated Financial Information.

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 Pro forma Aggregated Financial Information, 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 Aggregated Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Aggregated Group'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 Pro forma Aggregated Financial Information 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 entities in the Aggregated Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Pro forma Aggregated Financial Information, including the disclosures, and whether the Pro forma Aggregated Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Aggregated Group to express an opinion on the Pro forma Aggregated Financial Information. We are responsible for the direction, supervision and performance of the Aggregated Group's audit. We remain solely responsible for our audit opinion.

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.



DELOITTE TOUCHE TOHMATSU



Carlo Pasqualini
Partner
Chartered Accountants
Sydney, 10 November 2017