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**NETCENTRIC PTE LTD  
AND ITS CONTROLLED ENTITIES**

**SPECIAL PURPOSE FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2013**



**NETCENTRIC PTE LTD  
AND ITS CONTROLLED ENTITIES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**NETCENTRIC PTE LTD  
AND ITS CONTROLLED ENTITIES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**Consolidated statement of profit or loss**

	<b>2013</b>	<b>2012</b>
	\$AUD	\$AUD
<b>REVENUE</b>		
7,577,750	7,577,750	6,648,281
Less cost of sales	<u>(2,699,647)</u>	<u>(2,305,857)</u>
Gross profit	4,878,103	4,342,424
Other income	83,242	56,405
Share of net profits / (losses) of associates	96,141	(53,310)
<b>EXPENSES</b>		
Employee benefits	(3,406,493)	(2,601,141)
Administration	(1,421,567)	(1,636,024)
Impairment of investments in associates	<u>(42,826)</u>	<u>(42,138)</u>
Profit before income tax	186,600	66,216
Less income tax expense	<u>(179,814)</u>	<u>(256,210)</u>
<b>Net profit / (loss) from continuing operations</b>	6,786	(189,994)
Gain / (loss) on disposal of investments	<u>(574,329)</u>	<u>786,986</u>
<b>Net profit / (loss) for the year</b>	<u>(567,543)</u>	<u>596,992</u>
<b>Total comprehensive income attributable to:</b>		
- members of the parent entity	(446,282)	684,745
- minority interests	<u>(121,261)</u>	<u>(87,753)</u>
	<u>(567,543)</u>	<u>596,992</u>

This financial statement should be read in conjunction with the attached notes

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**NETCENTRIC PTE LTD  
AND ITS CONTROLLED ENTITIES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**Consolidated statement of financial position**

	<b>2013</b>	<b>2012</b>
	\$AUD	\$AUD
<b>Current assets</b>		
Cash and cash equivalents	1,001,111	779,721
Trade and other receivables	2,828,488	2,899,533
Receivables - related parties	236,465	284,670
Income tax recoverable	174,361	190,239
Receivables - shareholders/directors	58,990	95,251
	<u>4,299,415</u>	<u>4,249,414</u>
<b>Non current assets</b>		
Investment in associated companies	302,093	829,773
Less prov for impairment in associates	(287,376)	(217,211)
Property, plant & equipment	226,018	263,179
Deferred tax asset	2,347	2,428
	<u>243,082</u>	<u>878,169</u>
<b>Total assets</b>	<u>4,542,497</u>	<u>5,127,583</u>
<b>Current liabilities</b>		
Trade payables	1,042,163	1,023,750
Accruals	1,220,393	935,738
Other creditors	91,111	156,140
Income tax payable	54,013	383,355
Deferred revenue	84,893	90,896
Payables - related parties	43,704	22,735
Payables - shareholders/directors	735,959	847,308
<b>Total current liabilities</b>	<u>3,272,236</u>	<u>3,459,922</u>
<b>Total non-current liabilities</b>	-	-
<b>Total liabilities</b>	<u>3,272,236</u>	<u>3,459,922</u>
<b>Net assets</b>	<u>1,270,261</u>	<u>1,667,661</u>
<b>EQUITY</b>		
Share capital	54,902	54,902
Capital reserves	369	369
Foreign exchange translation reserve	32,138	(217,137)
Accumulated profits	1,275,556	1,828,874
Less minority interests	(92,704)	653
<b>Total equity</b>	<u>1,270,261</u>	<u>1,667,661</u>

This financial statement should be read in conjunction with the attached notes

**NETCENTRIC PTE LTD  
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**Consolidated statement of changes in equity**

	Share capital	Capital reserves	Foreign exchange reserve	Accumulated profits	Minority Interests	Total
	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD	\$AUD
Opening balance 1 January 2012	54,902	89	(20,919)	1,357,724	32,376	1,424,172
Acquisition of subsidiary	-	280	-	-	56,030	56,310
Profit / (loss) for the year	-	-	(196,218)	684,745	(87,753)	400,774
Less dividends paid	-	-	-	(213,595)	-	(213,595)
Balance at year-end 31 December 2012	54,902	369	(217,137)	1,828,874	653	1,667,661
Opening balance 1 January 2013	54,902	369	(217,137)	1,828,874	653	1,667,661
Acquisition of subsidiary	-	-	-	-	27,904	27,904
Profit / (loss) for the year	-	-	249,275	(446,282)	(121,261)	(318,268)
Less dividends paid	-	-	-	(107,036)	-	(107,036)
Balance at year-end 31 December 2013	54,902	369	32,138	1,275,556	(92,704)	1,270,261

This financial statement should be read in conjunction with the attached notes

**NETCCENTRIC PTE LTD  
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FOR THE YEAR ENDED 31 DECEMBER 2013**

**Consolidated statement of cash flows**

	<b>2013</b>	<b>2012</b>
	\$AUD	\$AUD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Sales to clients	7,923,416	5,827,471
Payments to suppliers and employees	(7,172,640)	(6,254,160)
Income tax paid	(493,197)	(45,287)
	<u>257,579</u>	<u>(471,976)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(70,717)	(107,309)
Proceeds from disposal of investments	104,735	-
	<u>34,018</u>	<u>(107,309)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Shareholder loans - receipt / (repaid)	(75,088)	454,873
Dividends paid to shareholders	(107,036)	(213,595)
	<u>(182,124)</u>	<u>241,278</u>
<b>Net cash (received) / paid out</b>	109,473	(338,007)
Cash at the start of the year	779,721	1,088,843
Effect of foreign exchange	111,917	28,885
<b>Cash at the end of the year</b>	<u>1,001,111</u>	<u>779,721</u>

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**NETCENTRIC PTE LTD  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This is a special purpose financial report that has been prepared to satisfy the financial preparation requirements of the directors and members of the company. The directors have determined that the company is not a reporting entity, as in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs.

The financial report covers the consolidated entity consisting of Netccentric Pte Ltd and its controlled entities.

The Company is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is at 38 Kinta Road, #02-03, Singapore 219107.

**(a) Basis of preparation**

The financial statements have been prepared in accordance with Australian Accounting Standards applicable to non-reporting entities and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members.

The report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies have been adopted in the preparation of this report:

**(b) Principles of Consolidation**

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Netccentric Pte Ltd ("the Company") as at the end of the financial year and the results of all controlled entities for the year then ended. Netccentric Pte Ltd and its controlled entities are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

**Acquisitions**

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Acquisition-related costs are expensed as incurred.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Acquisitions (Continued)**

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over (b) the fair values of the identifiable assets acquired net of the fair values of the liabilities and any contingent liabilities assumed, is recorded as goodwill.

**Disposals**

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is re-measured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

**Transactions with non-controlling interests**

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

**Associated companies**

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

***Equity method of accounting***

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and its

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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Equity method of accounting (Continued)***

share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

***Disposals***

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is re-measured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in profit or loss.

**(c) Currency translation - functional and presentation currency**

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The usual presentation currency for the group is Singapore dollars but these financial statements are presented in Australian Dollars.

***Transactions and balances***

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Translation of Group entities' financial statements***

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities are translated at the closing exchange rates at the reporting date;

Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

**(d) Investments in subsidiaries and associated companies**

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

**(e) Impairment of non-financial assets**

Assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Impairment of non-financial assets (Continued)**

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

**(f) Financial assets**

***Classification***

The Group classifies its financial assets as 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 presented as current assets, except for those expected to be realised later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "loans to related parties" and "cash and cash equivalents" on the statement of financial position.

***Recognition and de-recognition***

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset.

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 risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

***Measurement***

Financial assets are initially recognised at fair value plus transaction costs.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Financial assets (Continued)**

***Impairment***

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

An allowance for impairment of loans and receivables including trade and other receivables is recognised 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, and default or significant delay in payments are objective evidence that these financial assets are impaired. The amount of the 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. The amount of allowance for impairment is recognised in profit or loss.

**(g) Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

***Uncertain tax positions***

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

***Depreciation of property, plant and equipment***

Management estimates the useful lives of the property, plant and equipment to be between 1 to 10 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual value of these assets, therefore future depreciation charges could be revised.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Critical accounting estimates and judgements (Continued)**

***Impairment of investments in subsidiaries***

Investments in subsidiaries are tested for impairment at each reporting date and whenever there is any objective evidence or indication that the investment may be impaired. This determination requires significant judgement. The Group evaluates among other factors, the duration and extent to which the fair value of the investment is less than its cost, the financial health of and near-term business outlook for the subsidiaries. The methodology and assumptions used for estimating the amount and timing of future cash flows are reviewed yearly.

***Impairment of investments in associated companies***

Investments in associated companies are tested for impairment at each reporting date and whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. The Group and the Company evaluates among other factors, the duration and extent to which the fair value of the investments is less than its cost, the financial health of and near-term business outlook for the associated companies.

***Impairment of trade and other receivables***

Management has reviewed the Group's trade and other receivables at the financial year end to determine whether there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

***Deferred income tax assets***

The Group recognises deferred income tax assets on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised and that the Group is able to satisfy the continuing ownership test.

**(h) Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

**(i) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

**NETCENTRIC PTE LTD  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Dividends to Group's share holders**

Dividends to the Group's shareholders are recognised when the dividends are approved for payment.

**(k) Operating leases (when the Group is the lessee)**

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

**(l) Income Tax**

The charge for current income tax expenses is based on the profit for the period adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**(m) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating revenue within the Group.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Revenue recognition (Continued)**

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met. Revenue is recognised as follows:

***Rendering of services***

Services with advertising customers are campaign based and revenue as well as the cost of sales (blogger costs) are recognised on a percentage of completion basis over the period of the campaign.

***Interest income***

Interest income is recognised on a time-proportion basis using the effective interest method.

***Dividend income***

Dividend income is recognised when the right to receive payment is established.

**(n) Property, plant and equipment**

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

***Depreciation***

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computer equipment	1 - 5 years
Furniture and fittings	1 - 10 years
Office equipment	1 - 10 years
Production equipment	3 years
Motor vehicles	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Property, plant and equipment (Continued)**

***Subsequent expenditure***

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

***Disposal***

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

**(o) 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 and salaries. 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 and salaries are recognised as a part of current trade and other payables in the statement of financial position.

**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 re-measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(o) Employee Benefits (Continued)**

**Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

**(p) Cash and cash equivalents**

For purposes of the Statement of Cash Flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

**(q) Impairment of Assets**

At each reporting date, the consolidated entity reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values.

**(r) Provisions**

Provisions are recognised when the consolidated entity 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 using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(s) Trade and other creditors**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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NETCENTRIC PTE LTD  
AND ITS CONTROLLED ENTITIES


DIRECTORS' DECLARATION

The directors of the company declare that, in the opinion of the directors:

- (a) the attached financial statements and notes thereto:
  - (i) give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance of the year ended; and
  - (ii) comply with Australian Accounting Standards, including the Interpretations, and
  
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Directors:

  
.....  
Tiah Ewe Tian

Director

  
.....  
Cheo Ming Shen

Director

Dated: 8 May 2015

Dated: 8 May 2015

**RSM Bird Cameron**  
Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007  
T +61 3 9286 8000 F +61 3 9286 8199  
www.rsmi.com.au

**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF**  
**NETCENTRIC PTE LTD**  
**AND ITS CONTROLLED ENTITIES**

We have audited the accompanying financial report, being a special purpose financial report, of Netccentric Pte Ltd, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of each year or from time to time during the financial years.

*Directors' Responsibility for the Financial Report*

The directors are responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a 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 conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 directors, 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.

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*Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

*Opinion*

In our opinion, the financial report presents fairly, in all material respects, the financial position of Netccentric Pte Ltd and its controlled entities as of 31 December 2013 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

*Basis of accounting*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Netccentric Pte Ltd to meet the needs of the members. As a result, the financial report may not be suitable for another purpose.

*RSM Bird Cameron*

**RSM BIRD CAMERON**



**PETER SEXTON**  
Director

**Date: 8 May 2015**

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