Special purpose financial statements

Gruden Pty Ltd

For the period ended 30 June 2015

Contents

The financial statements cover Gruden Pty Ltd as an individual entity.
The financial statements are presented in Australian dollars, which is Gruden Pty Ltd's functional and presentation currency.

Gruden Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.
Its registered office and principal place of business are:

Registered office	Principal place of business
Unit 3	Level 10
43 Colbee Court	220 George Street
Phillip ACT 2606	Sydney NSW 2000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 7 October 2015. The directors have the power to amend and reissue the financial statements.

Directors' Report

The Directors present their Report of financial position of Gruden Pty Ltd ('Company') as at 30 June 2015.

Directors
The names of the Directors in office at any time during or since the end of the period are:

- Mr Brent Nicholas Trimnell-Ritchard (appointed on 17 October 2014)
- Mr Todd Trevillion (appointed on 17 October 2014)

All Directors have been in office since the incorporating of the company to the date of this report.
Mr Todd Trevillion is also the company secretary.

Review of operation and financial results
The Company commenced operations on 1 February 2015 and therefore this report does not contain any prior year comparative figures. The profit of the Company for the period to 30 June 2015 after providing for income tax amounted to $366,139.

Significant changes in state of affairs
The Company commmenced operations on 1 February 2015 after purchasing the digital agency business of Gruden Holding Pty Ltd effective 31 January 2015 for the consideration of $151,124.83 by creating a loan payble to Gruden Holding Pty Ltd.

Principal activities
The principal activities of the Company are:

- Sale, customisation and integration of IT and telecommunication systems
- Sale, customisation and integration of mobile apps
- Sale, customisation, maintenance and integration of websites

There are no significant expected changes in the nature of the principal activities for the Company.

Events arising since the end of the reporting period
During the period the company received a proposal from Exoma Limited to purchase the shares of the Company. After careful consideration, the directors of the company decided to recommend the shareholders accept the proposal and on 4 September 2015 the Exoma shareholders voted in favour of the proposal.

Future development, prospects and business strategies
We expect to be reaping the benefits of the merger in the FY 2015/2016 as we consolidate our service offering to an expanding client base.

We expect to making significant inroads into new business from our Government Practice,and we will be making some key hires in the areas of Executive Management and Operations.

We are excited about the opportunities to take a unified approach to everything digital, a strategic goal we have been working on for a number of years.

Given both the competitive nature of the tender, and the fact that the process is ongoing, we have utilised the exemption on the basis in s299A(3) and have not disclosed further details about the possible impact of the potential contract on the Company's business strategy and future prospects. We are replying on the exemption on the basis that disclosure of the potential financial impact on the Company arising from the outcome of the tender process is premature, and would be likely to result in other tender competitors gaining a commercial advantage, which would jeopardise the Company's prospects.

There are material business risks faced by the Company that are likely to have an effect on the financial prospects of the Company and how the Company manages these risks.

• Retention of key staff given the drawn out nature of the transition from private to public for both Gruden Digital service and BlackGlass.

• Skilling up and management of growth with in business as new work comes on board and being able to carry this out as the team grows

o Resignation of Daniel Scow - Creative Director, who had been with the company for 8 years and his replacement have to pull out during to personal reasons. This role is still yet to be filled.

• Skilling up and management of growth with in business as new work comes on board and being able to carry this out as the team grows

Environmental issues

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

Dividends paid or recommended

There were no dividends paid, recommended or decalred during the current financial year.

Options

No options over issued shares or interests in the Company were granted since the incorporation of the Company.

Indemnities given and insurance premiums paid to auditors and officers

The Company has no current insurance policy to insure officers of the Company.

The Company has not otherwise, during or since the end of the financial period, expect to the extent permitted by law, indemnified or agreed to indemnity any current or former officers or auditor of the Company against a liability incurred as such by an officer or auditor.

Proceedings on behalf of Company

No person has applied for leave of Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the period.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of this Directors' Report.

Rounding of amounts

The Company is a type of Company referred to in the Australian Securities and Investments Commission ('ASIC') Class Order 98/100 and therefore the amounts contained in this report and in the financial report have been rounded to the nearest dollar.

This report is made in accordance with a resolution of directors pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors:

Brent Trimnell-Ritchard
Director
7th October 2015

UHY Haines Norton
Chartered Accountants

Level 11 | 1 York Street | Sydney | NSW | 2000
GPO Box 4137 | Sydney | NSW | 2001
t: +61 2 9256 6600 | f: +61 2 9256 6611
sydney@uhyhn.com.au
www.uhyhnsydney.com.au

GRUDEN PTY LTD

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF GRUDEN PTY LTD

As auditor for the audit of Gruden Pty Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of any applicable code of professional conduct in relation to the audit.

UHY Haines Norton

M. D. Nicholaeff
Partner

UHY Haines Norton
Chartered Accountants

Date: 7th October 2015

Sydney

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2015

	Note	Period ended 30 June 2015 $
Revenues from operations		1,984,910
Rental income		48,720
Revenue and other income		**2,033,630**
Employee benefits expense		503,162
Depreciation and amortisation expenses		8,570
Hosting		86,698
Web Experience		214,509
Tenders		398,222
Finance costs		14,667
Other expenses		544,338
Total expense		**1,770,166**
Profit before income tax		**263,464**
Income tax benefit		**(102,675)**
Profit after income tax expenses for the period attributable to the owners of Gruden Pty Ltd		**366,139**
Other comprehensive income for the period, net of tax		**-**
Total comprehensive income for the period attributable to the owners of Gruden Pty Ltd		**366,139**

Accompanying notes to the special purpose Financial Statements are included on pages 10 to 22.

Statement of Financial Position
As at 30 June 2015

	Note	2015 $
Assets		
Current assets		
Cash and cash equivalents	3	338,381
Trade and other receivables	4	959,769
Total current assets		**1,298,150**
Non-current assets		
Receivables	4	347,442
Plant and equipment	5	35,988
Intangible assets	6	4,430
Deferred tax assets	11	203,740
Total non-current assets		**591,600**
Total assets		**1,889,750**
Liabilities		
Current liabilities		
Trade and other payables	7	560,735
Deferred income	8	113,407
Provision for Income Tax		101,065
Provisions	10	325,237
Total current liabilities		**1,100,444**
Non-current liabilities		
Provisions	10	29,101
Borrowings	9	392,066
Total non-current liabilities		**421,167**
Total liabilities		**1,521,611**
Net (liabilities) / assets		**368,139**
Equity		
Capital and reserves		
Issued capital	12	2,000
Retained earnings	13	366,139
Total equity		**368,139**

Accompanying notes to the special purpose Financial Statements are included on pages 10 to 22.

Statement of Changes in Equity
As at 30 June 2015

	Note	Issued capital $	Reserves $	Accumulated Profits $	Total $
Balance at 17 October 2014		**2,000**	**-**	**-**	**2,000**
Profit after income tax expense for the period				366,139	**366,139**
Other comprehensive loss for the period, net of tax					
Total comprehensive income for the year		**-**	**-**	**366,139**	**366,139**
Balance at 30 June 2015		**2,000**	**-**	**366,139**	**368,139**

Accompanying notes to the special purpose Financial Statements are included on pages 10 to 22.

Statement of Cash Flows
As at 30 June 2015

	Note	2015 $
Cash flows from operating activities		
Receipts from customers		**1,877,276**
Payments to suppliers and employees		**(1,492,782)**
Other revenue		**48,720**
Interests paid		**(14,667)**
Income tax paid		**(203,740)**
Net cash provided by operating activities	3 (a)	**214,807**
Cash flows from investing activities		
Net cash from business acquisition		**11,497**
Purchase of property, plant and equipment		**(12,588)**
Net cash provided/ (used in) by investing activities		**(1,091)**
Cash flows from financing activities		
(Repayment of)/proceeds from borrowings		**(3,000)**
Repayment of loans to related parties		**125,665**
Proceeds from issue of shares		**2,000**
Net cash (used in) / provided by financing activities		**124,665**
Net change in cash and cash equivalents		**338,381**
Cash and cash equivalents at the beginning of the year		**-**
Cash and cash equivalents at the end of the year	3	**338,381**

Accompanying notes to the special purpose Financial Statements are included on pages 10 to 22.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

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

New, revised or amending Accounting Standards and Interpretations adopted

The Company 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.

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

Basis of preparation

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements.

The Company was incorporated on 17 October 2014. These financial statements cover the operations of the Company for the period from incorporation to 30 June 2015, and the financial position of the Company on that date.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Gruden Pty Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Gruden Pty Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1031 'Materiality', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Foreign currency translation

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

Revenue recognition

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

Sale of goods/licensing of software products
Revenue from sale of goods and/or, licensing of software products is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods or software products.

Rendering of services
Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.
- Revenue from fixed-price contracts is recognised by reference to the stage of completion of the contract activity at the balance date, determined as the proportion of contract costs incurred for work to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work and claims are included to the extent they have been agreed with the customer. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Interest
Interest revenue is recognised as interest accrues taken into account the interest rates applicable to the financial assets.

Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

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

Income tax
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 changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply 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 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 entity's which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve 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 twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve 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 stated net of provisions for bad and doubtful debts. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Property, plant and equipment
Property, plant and equipment are shown at cost less accumulated depreciation and any provision for impairment with the exception of freehold land which is not depreciated. The Company assesses the carrying value of its property, plant and equipment to determine if any impairment has occurred. Where this indicates that an asset may be impaired, the Company applies the requirements of AASB 136 Impairment of Assets in assessing the carrying amount of the asset. This process includes comparing its recoverable amount with its carrying value. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its estimated useful life, as follows:

Leasehold improvements	over the term of lease or life of the asset, if shorter
Furniture & Fixtures	5-15 years
Plant and equipment	5-15 years
Computer equipment	1-3 years
Software	1-3 years
Motor vehicles	over the term of lease or life of the asset, if shorter

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. 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 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 Company 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
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.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are Companyed together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company 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 attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions

Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as trade and other payables in the balance sheet.

Other

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current provisions in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

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 principle 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 interest. 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.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

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 financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the 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.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the reporting period ended 30 June 2015. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements required management to make judgements, estimates and assumptions affest the reported amounts in the financial statements. 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, by definition, 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 debtors financial position.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	2015
	$
3. Cash and cash equivalents	
Cash at bank	338,381
(a) Reconciliation of loss for the period to net cash flows from operating activities:	
Profit for the period	366,139
Non-cash flows in profit	
Depreciation and amortisation	8,570
Changes in assets and liabilities	
(Increase) in trade and other receivables	(369,942)
Increase in trade and other payables	256,695
(Inrease) in deferred tax assets	(203,740)
(Decrease) in provisions	(7,797)
Increase in tax provision	101,065
Increase in deferred revenue	63,817
Net cash inflow from operating activities	214,807

4. Trade and other receivables

Current	
Trade receivables	903,099
Provision for Doubtful Debt	(26,359)
Prepaid expenses	71,294
Other assets	11,735
	959,769

Trade receivables are non-interest bearing and generally repayable in 30 days.

Non-current	
Deposits	1,241
Related party receivables	346,201
	347,442

5. Plant and equipment

Plant and equipment	
Cost	41,774
Accumulated depreciation	(5,786)
	35,988

6. Intangible assets

Software	
Cost	7,214
Accumulated depreciation	(2,784)
Net book amount	4,430

7. Trade and other payables

Current	
Trade payables	246,192
GST Payables	76,505
Accruals	132,654
Superannuation payable	36,502
PAYG tax payable	41,297
Other payables	(874)
Related party payables	28,459
	560,735

Trade and other payables are non-interest bearing and normally settled in 30 days.
Loan from directors is unsecured and non-interest bearing.

	2015
8. Deferred income	$
Deferred income	113,407

9. Borrowings

Loan related party	145,066
Bank loans	247,000
Total borrowings	392,066

10. Provisions

Current	
Employee benefits provisions	325,237
	325,237
Non current	
Employee benefits provisions	29,101
	29,101

11. Income Tax

Current tax	101,065
Deferred tax	(203,740)
	(102,675)

(a) Income tax benefit

The income tax expense for the period differs from the prima facie tax as follows:

Profit for the period	263,464
Prima facie income tax (benefit) @ 30%	79,039
Tax effect of non-deductible items	
Entertainment	1,740
Fines & Penalties	355
	81,134
Recognition of the deferred tax asset (previously not recognised)	(183,809)
Income tax (benefit)	(102,675)

(b) Deferred Tax assets

Fixed assets	35,222
Provisions	106,301
Accured expenses / charges	17,245
Superannuation payable	10,951
Deferred revenue	34,022
	203,740

(c) Recovery of deferred tax assets

Deferred tax assets expected to be recovered within 12 months	62,217
Deferred tax assets expected to be recovered after more than 12 months	141,523
	203,740

12. Issued Capital

	2015 Number of shares	2015 $
Ordinary shares issued on 17 October 2014 - fully paid	2,000	2,000
	2,000	2,000

Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.
On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

The company was incorporated on 17 October 2014.

13. Retained Earnings

	2015 $
Incorporation (17 October 2014)	-
Net Profit for period	366,139
Balance 30 June 2015	366,139

14. Commitments

The Company has no material commitments as at the date of this report.

15. Contingent Liabilities

The Company has no material contingent liabilities as at the date of this report.

16. Events after the reporting period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years other than the approval on 4 September 2015 by the shareholders of Exoma Limited to acquire the combined businesses of Mobile Den Pty Ltd, Gruden Pty Ltd and Blackglass Pty Ltd.

17. Remuneration of Auditor

During the year the following fees were paid or payable for services provided by

Audit of the financial statements	7,500

18. Business Combination

(i) Summary of acquisition
Acquisition year ended 30 June 2015
Effective 31st January 2015 the Company acquired the business of Gruden Holdings Pty Ltd.

Fair values of the Purchase consideration:	$
Total fair value of consideration by the way of related party loan	**151,125**

The assets and liabilities recognised as a result of the acquisition are as follows:	**Fair Value**
	$
Cash	**11,497**
Trade receivables	**729,378**
Other assets	**11,574**
Deposits	**1,241**
Property, plant & equipment	**29,186**
Intangible Assets (Software)	**7,214**
Related party receivables	**326,800**
Trade creditors	**(160,966)**
Accruals	**(143,074)**
Deferred revenue	**(49,590)**
Employee benefits	**(346,398)**
Bank loans	**(250,000)**
Other liabilities	**(15,737)**
Net assets acquired	**151,125**

There is no goodwill on the acquisition of the business.

Acquisition-related costs
There were no acquisition related costs.

Revenue and profit contribution
The acquired business contributed revenues of $2,033,630 and a net after tax profit of $182,330 to the Company for the period 1 February 2015 to 30 June 2015.

(ii) Purchase consideration - cash outflow
There was no cash outflow related to the acquisition of the Gruden business (acquired by the way of intercompany loan).

Cash inflow	
Balance of cash acquired	11,497
Net inflow of cash - investing activities	11,497

Gruden Pty Ltd
Directors' Declaration
30th June 2015

In the directors' opinion:

As described in the basis of preparation accounting policy included in note 1 to the financial statements, the Group is not a reporting entity and these are special purpose financial statements.

The directors of the Group declare that the financial statements and notes:

a. comply with the accounting policies as detailed in note 1 to the financial statements; and

b. give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the period ended on that date.

In the directors opinion:

c. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Dated 7 October 2015

UHY Haines Norton
Chartered Accountants

Level 11 | 1 York Street | Sydney | NSW | 2000
GPO Box 4137 | Sydney | NSW | 2001
t: +61 2 9256 6600 | f: +61 2 9256 6611
sydney@uhyhn.com.au
www.uhyhnsydney.com.au

INDEPENDENT AUDITOR'S REPORT

To the members of Gruden Pty Ltd

We have audited the accompanying financial report of Gruden Pty Ltd (the 'Company'), being a special purpose financial report, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that presents fairly and have determined that the basis of preparation described in Note 1 to the financial report 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 standards require that we comply with relevant ethical requirements relating to audit engagements 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 judgment, 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the director, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we complied with the independence requirements of the Australian professional and ethical standards board.

Opinion

In our opinion, the financial report of Gruden Pty Ltd presents fairly, in all material respects, the entity's financial position as at 30 June 2015, and of its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial report.

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 is prepared to assist Gruden Pty Ltd to meet the requirements of the members. As a result, the financial report may not be suitable for any other purpose.

UHY Haines Norton

Mark Nicholaeff
Partner
Signed in Sydney on the 7th October 2015

UHY Haines Norton
Chartered Accountants