



Nucleus Software Australia Pty Limited

ABN 43 167 842 953

Directors' report and financial statements - 31 March 2022

Nucleus Software Australia Pty Limited
Contents
31 March 2022



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Nucleus Software Australia Pty Limited
Directors' report
31 March 2022



The directors present their report, together with the financial statements, on the Company for the year ended 31 March 2022.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Vishnu R Dusad
Mark McCoy

Principal activity

The principal activity of the Company during the financial year was the provision of computer software services, particularly the development and installation of computer software.

There was no significant change in the nature of the Company's principal activity during the financial year.

Dividends

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

Review of operations

The profit for the Company after providing for income tax amounted to \$175,608 (31 March 2021: \$192,668).

The revenue of the Company amounted to \$1,730,905 (31 March 2021: \$1,993,594).

The revenue and profit for the financial year ended 31 March 2022 were lower than the prior year, as the level of new work being generated during Coronavirus (COVID-19) pandemic was not sufficient to fully replace the 'run off' of earlier work.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Coronavirus (COVID-19) pandemic

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Company, if any, has been reflected in the results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine and boosters, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Company's operations going forward. The directors and management continue to monitor the situation both locally and internationally.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during the year ended 31 March 2022 and up to the date of this report.

Nucleus Software Australia Pty Limited
Directors' report
31 March 2022



Indemnity and insurance of officers

The Company has taken insurance for the directors and executives of the Company for the costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except for fraud and dishonesty. During the financial year, the Company's parent entity, Nucleus Software Exports Ltd., paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the policy.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

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 immediately after this directors' report.

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

On behalf of the directors

Vishnu
Ramprata
p Dusad

Digitally signed by
Vishnu Rampratap
Dusad
Date: 2022.05.10
14:05:20 +05'30'

Vishnu R Dusad
Director

10 May 2022

SUHRID.R.SHETH

Chartered Accountant

Suite 4,
96-98 Wigram Street
HARRIS PARK NSW 2150

Telephone: (02) 9687 6095
email: suhrids@srsco.com.au

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATION ACT 2001

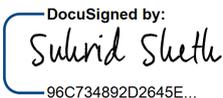
To the Board of Directors of Nucleus Software Australia Pty Limited

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nucleus Software Australia Pty Limited during the financial 31st March 2022.

Name of Firm: Suhrid R Sheth
Chartered Accountant

Name of Partner:  96C734892D2645E...

Suhrid Sheth

Address: PO Box 9374, HARRIS PARK NSW 2150

Dated: 10th May 2022

Nucleus Software Australia Pty Limited
Statement of profit or loss
For the year ended 31 March 2022



| | Note | 2022 \$ | 2021 \$ |
|--|------|-----------------------|-----------------------|
| Revenue from contracts with customers | 4 | 1,730,905 | 1,893,279 |
| Other income | 5 | - | 100,315 |
| Total revenue | | <u>1,730,905</u> | <u>1,993,594</u> |
| Expenses | | | |
| Employee benefits expense | | (1,495,228) | (1,647,110) |
| Directors' fees | | (21,975) | (21,900) |
| Depreciation expense | | - | (91) |
| Rent and rates | | (20,176) | (25,954) |
| Travel and accommodation | | (4,170) | (8,492) |
| Audit and professional fees | | (22,054) | (19,283) |
| Other expenses | | (14,922) | (19,932) |
| Total expenses | | <u>(1,578,525)</u> | <u>(1,742,762)</u> |
| Profit before income tax (expense)/benefit | | 152,380 | 250,832 |
| Income tax (expense)/benefit | 7 | <u>23,228</u> | <u>(58,164)</u> |
| Profit after income tax (expense)/benefit for the year attributable to the owners of Nucleus Software Australia Pty Limited | | <u><u>175,608</u></u> | <u><u>192,668</u></u> |

The above statement of profit or loss should be read in conjunction with the accompanying notes

Nucleus Software Australia Pty Limited
Statement of financial position
As at 31 March 2022



| | Note | 2022 \$ | 2021 \$ |
|--------------------------------|------|------------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 8 | 753,907 | 331,129 |
| Trade and other receivables | 9 | 328,571 | 529,924 |
| Prepayments and security bonds | 10 | 7,274 | 7,484 |
| Total current assets | | <u>1,089,752</u> | <u>868,537</u> |
| Non-current assets | | | |
| Deferred tax | 7 | 102,380 | - |
| Total non-current assets | | <u>102,380</u> | <u>-</u> |
| Total assets | | <u>1,192,132</u> | <u>868,537</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 11 | 92,406 | 133,320 |
| Income tax | | 42,837 | 20,329 |
| Employee benefits | 12 | 265,553 | 102,160 |
| Accrued expenses | | 12,500 | 9,500 |
| Total current liabilities | | <u>413,296</u> | <u>265,309</u> |
| Total liabilities | | <u>413,296</u> | <u>265,309</u> |
| Net assets | | <u>778,836</u> | <u>603,228</u> |
| Equity | | | |
| Issued capital | 13 | 100,000 | 100,000 |
| Retained profits | | <u>678,836</u> | <u>503,228</u> |
| Total equity | | <u>778,836</u> | <u>603,228</u> |

The above statement of financial position should be read in conjunction with the accompanying notes

Nucleus Software Australia Pty Limited
Statement of changes in equity
For the year ended 31 March 2022



| | Issued capital \$ | Retained profits \$ | Total equity \$ |
|---|----------------------------------|------------------------------------|----------------------------|
| Balance at 1 April 2020 | 100,000 | 310,560 | 410,560 |
| Profit after income tax expense for the year | - | 192,668 | 192,668 |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | 192,668 | 192,668 |
| Balance at 31 March 2021 | <u>100,000</u> | <u>503,228</u> | <u>603,228</u> |
| | Issued capital \$ | Retained profits \$ | Total equity \$ |
| Balance at 1 April 2021 | 100,000 | 503,228 | 603,228 |
| Profit after income tax benefit for the year | - | 175,608 | 175,608 |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | 175,608 | 175,608 |
| Balance at 31 March 2022 | <u>100,000</u> | <u>678,836</u> | <u>778,836</u> |

The above statement of changes in equity should be read in conjunction with the accompanying notes

Nucleus Software Australia Pty Limited
Statement of cash flows
For the year ended 31 March 2022



| | Note | 2022 \$ | 2021 \$ |
|--|------|----------------------------|----------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 1,932,258 | 2,030,844 |
| Payments to suppliers and employees (inclusive of GST) | | <u>(1,452,836)</u> | <u>(1,695,339)</u> |
| Income taxes paid | | <u>479,422</u> (56,644) | <u>335,505</u> (69,755) |
| Net cash from operating activities | | <u>422,778</u> | <u>265,750</u> |
| Net cash from investing activities | | <u>-</u> | <u>-</u> |
| Net cash from financing activities | | <u>-</u> | <u>-</u> |
| Net increase in cash and cash equivalents | | 422,778 | 265,750 |
| Cash and cash equivalents at the beginning of the financial year | | <u>331,129</u> | <u>65,379</u> |
| Cash and cash equivalents at the end of the financial year | 8 | <u><u>753,907</u></u> | <u><u>331,129</u></u> |

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

Nucleus Software Australia Pty Limited
Notes to the financial statements
31 March 2022



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Note 1. General information

The financial statements cover Nucleus Software Australia Pty Limited as an individual entity, as it has no interests in other entities. The financial statements are presented in Australian dollars, which is Nucleus Software Australia Pty Limited's functional and presentation currency.

Nucleus Software Australia Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 4, 96 Wigram Street
 Harris Park
 NSW 2150

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 10 May 2022. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended 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 Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 April 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 April 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments. As permitted by *AASB 1053 Application of Tiers of Australian Accounting Standards* for early adoption of AASB 1060, where applicable, comparative information has not been provided for these new disclosures. The Company has not taken any other concessional relief available to it on early adoption.

Other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

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

Note 2. Significant accounting policies (continued)

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 3.

Foreign currency transactions and translation

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.

However, when a single transaction gives rise to both an asset and liability the initial recognition exemption is not considered to apply, and therefore deferred tax assets and deferred tax liabilities are recognised on the asset and liability accordingly.

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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company'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.

A liability is classified as current when: it is either expected to be settled in the Company'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.

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.

Comparatives

Comparatives have been repositioned, where necessary, to align with the current year presentation. There was no change to the profit for the year and net assets/total equity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect 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 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.

Income tax

The Company 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 Company recognises liabilities for anticipated tax audit issues based on the Company'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.

Employee benefits provision

As discussed in note 2, 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.

Note 4. Revenue from contracts with customers

| | 2022 | 2021 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Rendering of services - parent entity | <u>1,730,905</u> | <u>1,893,279</u> |

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

| | 2022 | 2021 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| <i>Geographical regions</i> | | |
| Australia | <u>1,730,905</u> | <u>1,893,279</u> |
| <i>Timing of revenue recognition</i> | | |
| Services transferred over time | <u>1,730,905</u> | <u>1,893,279</u> |

Accounting policy for revenue recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Note 4. Revenue from contracts with customers (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from contracts with the parent entity to provide services is recognised over time as the services are rendered on a cost-plus basis.

Note 5. Other income

| | 2022 | 2021 |
|--|-------------|----------------|
| | \$ | \$ |
| Net foreign exchange gain | - | 315 |
| Government grants - Covid-19 Cash flow boost | - | 100,000 |
| | <u>-</u> | <u>100,315</u> |
| Other income | <u>-</u> | <u>100,315</u> |

Note 6. Expenses

| | 2022 | 2021 |
|--|----------------|----------------|
| | \$ | \$ |
| Profit before income tax includes the following specific expenses: | | |
| <i>Leases</i> | | |
| Short-term and low-value assets lease payments | <u>19,900</u> | <u>25,341</u> |
| <i>Superannuation expense</i> | | |
| Defined contribution superannuation expense | <u>105,915</u> | <u>105,466</u> |

Accounting policy for right-of-use assets

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Accounting policy for defined contribution superannuation expense

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

Nucleus Software Australia Pty Limited
Notes to the financial statements
31 March 2022



Note 7. Income tax

| | 2022 \$ | 2021 \$ |
|---|-------------------|-------------------|
| <i>Income tax expense/(benefit)</i> | | |
| Current tax | 82,422 | 58,164 |
| Deferred tax - origination and reversal of temporary differences | (102,380) | - |
| Adjustment recognised for prior periods | (3,270) | - |
| | <u>(23,228)</u> | <u>58,164</u> |
| Aggregate income tax expense/(benefit) | | |
| Deferred tax included in income tax expense/(benefit) comprises: | | |
| Increase in deferred tax assets | (102,380) | - |
| | <u>(102,380)</u> | <u>-</u> |
| <i>Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate</i> | | |
| Profit before income tax (expense)/benefit | 152,380 | 250,832 |
| Tax at the statutory tax rate of 25% (2021: 26%) | 38,095 | 65,216 |
| Adjustment recognised for prior periods | (3,270) | - |
| Prior year temporary differences not recognised now recognised | (58,053) | - |
| Movements in temporary differences not recognised | - | (7,052) |
| | <u>-</u> | <u>(7,052)</u> |
| Income tax expense/(benefit) | <u>(23,228)</u> | <u>58,164</u> |
| | 2022 \$ | 2021 \$ |
| <i>Deferred tax asset</i> | | |
| Deferred tax asset comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Employee benefits | 66,393 | - |
| Superannuation | 26,123 | - |
| Accruals and other | 9,864 | - |
| | <u>102,380</u> | <u>-</u> |
| Deferred tax asset | <u>102,380</u> | <u>-</u> |
| Movements: | | |
| Opening balance | - | - |
| Credited to profit or loss | 102,380 | - |
| | <u>102,380</u> | <u>-</u> |
| Closing balance | <u>102,380</u> | <u>-</u> |

Accounting policy for 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 the 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 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.

Nucleus Software Australia Pty Limited
Notes to the financial statements
31 March 2022



Note 7. Income tax (continued)

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.

Note 8. Cash and cash equivalents

| | 2022 \$ | 2021 \$ |
|-----------------------|----------------|----------------|
| <i>Current assets</i> | | |
| Cash on hand | 1 | 1 |
| Cash at bank | 753,906 | 331,128 |
| | <u>753,907</u> | <u>331,129</u> |

Accounting policy for 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.

Note 9. Trade and other receivables

| | 2022 \$ | 2021 \$ |
|-----------------------------------|------------|------------|
| <i>Current assets</i> | | |
| Trade receivables - related party | 328,571 | 529,924 |

Due to the nature of the related party receivable being fully recoverable, no allowance for expected credit losses has been recognised.

Accounting policy for 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 allowance for expected credit losses.

Note 10. Prepayments and security bonds

| | 2022 \$ | 2021 \$ |
|-----------------------|--------------|--------------|
| <i>Current assets</i> | | |
| Prepayments | 2,523 | 2,733 |
| Security bonds | 4,751 | 4,751 |
| | <u>7,274</u> | <u>7,484</u> |

Nucleus Software Australia Pty Limited
Notes to the financial statements
31 March 2022



Note 11. Trade and other payables

| | 2022 \$ | 2021 \$ |
|----------------------------|---------------|----------------|
| <i>Current liabilities</i> | | |
| Trade payables | 19,748 | 23,023 |
| PAYG payable | 17,651 | 35,663 |
| GST payable | 29,317 | 46,712 |
| Other payables | 25,690 | 27,922 |
| | <u>92,406</u> | <u>133,320</u> |

Accounting policy for 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.

Note 12. Employee benefits

| | 2022 \$ | 2021 \$ |
|----------------------------|----------------|----------------|
| <i>Current liabilities</i> | | |
| Annual leave | 230,526 | 76,774 |
| Long service leave | 35,027 | 25,386 |
| | <u>265,553</u> | <u>102,160</u> |

Accounting policy for 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 liabilities 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. 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 high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 13. Issued capital

| | 2022 Shares | 2021 Shares | 2022 \$ | 2021 \$ |
|------------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares - fully paid | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Nucleus Software Australia Pty Limited
Notes to the financial statements
31 March 2022



Note 13. Issued capital (continued)

Accounting policy for 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.

Note 14. Dividends

Dividends

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

Franking credits

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Franking credits available for subsequent financial years based on a tax rate of 25% (2021: 26%) | <u>254,577</u> | <u>198,632</u> |

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Suhrid R. Sheth, the auditor of the Company:

| | 2022 \$ | 2021 \$ |
|--|---------------|---------------|
| <i>Audit services - Suhrid R. Sheth</i> Audit of the financial statements | <u>8,500</u> | <u>8,000</u> |
| <i>Other services - Suhrid R. Sheth</i> Payroll compliance | <u>4,906</u> | <u>4,740</u> |
| | <u>13,406</u> | <u>12,740</u> |

Note 16. Contingent liabilities

The Company has no contingent liabilities as at 31 March 2022 and 31 March 2021.

Note 17. Commitments

The Company has no commitments as at 31 March 2022 and 31 March 2021.

Note 18. Related party transactions

Parent entity

The immediate and ultimate parent entity is Nucleus Software Exports Ltd., a company incorporated in India and listed on the National Stock Exchange of India (BSE: 531209 NSE: NUCLEUS).

Nucleus Software Australia Pty Limited
Notes to the financial statements
31 March 2022



Note 18. Related party transactions (continued)

Key management personnel

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

| | 2022 | 2021 |
|------------------------|-------------|-------------|
| | \$ | \$ |
| Aggregate compensation | 21,975 | 21,900 |

Transactions with related parties

The following transactions occurred with related parties:

| | 2022 | 2021 |
|-----------------------------------|-------------|-------------|
| | \$ | \$ |
| Sale of goods and services: | | |
| Sale of services to parent entity | 1,730,905 | 1,893,279 |

Receivable from and payable to related parties

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

| | 2022 | 2021 |
|--------------------------------------|-------------|-------------|
| | \$ | \$ |
| Current receivables: | | |
| Trade receivables from parent entity | 328,571 | 529,924 |

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Nucleus Software Australia Pty Limited
Directors' declaration
31 March 2022



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 March 2022 and of its performance for the financial year ended on that date; and
- 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 directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Vishnu
Rampratap
Dusad

Digitally signed by
Vishnu Rampratap
Dusad
Date: 2022.05.10
14:06:04 +05'30'

Vishnu R Dusad
Director

10 May 2022

SUHRID R. SHETH

Chartered Accountant

C/- S R SHETH & CO PTY LTD
SUITE 4 96 WIGRAM STREET HARRIS PARK 2150

T: (02) 9687 6095
W: www.srsco.com.au

AUDITORS REPORT FOR THE YEAR ENDED 31ST MARCH 2022

Independent auditor's report to the shareholders of Nucleus Software Australia Pty Limited

Report on the audit of the financial report

Opinion

I have audited the financial report of Nucleus Software Australia Pty Limited (the 'company'), which comprises the statement of financial position as at 31 March 2022, the statement of financial position, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, the accompanying financial report of Nucleus Software Australia Pty Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 31 March 2022 and of its financial performance for the [period][year] then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (the 'Code') that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I advise that there are no such matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 31 March 2022, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of my auditor's report.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the Corporations Act 2001. My responsibility is to express an opinion on the remuneration report, based on my audit conducted in accordance with Australian Auditing Standards.

Opinion

I have performed audit and review procedures (as applicable) in accordance with Australian Auditing Standards in order to report to the Nucleus Software Australia Pty Limited and the Australian Securities & Investments Commission ("ASIC") in relation to the financial year referred to above as follows:

1. In my opinion:
 - (a) The financial statements of Nucleus Software Australia Pty Limited is in accordance with the Corporations Act 2001, including :
 - i. Giving a true and fair view of the entity's financial position of the as at 31st March 2022 and of its performance for the year ended on that date; and
 - ii. That as Nucleus Software Australia Pty Limited is a non reporting entity, the financial statements are in accordance with all the recognition and measurement requirements of the Australian Accounting Standards, and in accordance with the disclosure requirements of the Australian Accounting Standards that apply to non reporting entities.

Basis of accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors'

financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Sign Here  _____ Date 10th May 2022

Print name SUHRID R SHETH Capacity PRINCIPAL