

Spark44 Pty Limited

ACN 602 084 346

General (RDR) Purpose Financial Statements

For the Year Ended 31 March 2021

Spark44 Pty Limited

ACN 602 084 346

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For the Year Ended 31 March 2021

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Spark44 Pty Limited

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Directors' Report

31 March 2021

The directors present their report on Spark44 Pty Limited for the financial year ended 31 March 2021.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Jasmin Bedir	Resigned 01 May 2020
Avanesh Sharma	appointed 01 September 2018
Gavin Sommer	appointed 01 May 2020

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The principal activity of Spark44 Pty Limited during the financial year was agency management, dedicated to the Jaguar and Land Rover brands.

No significant changes in the nature of the Company's activity occurred during the financial year.

Review of operations

The profit of the Company after providing for income tax amounted to \$ 292,716 (2020: \$ 263,625).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year (2020: Nil). No recommendation for payment of dividends has been made.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year 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.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

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.

Spark44 Pty Limited

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Directors' Report

31 March 2021

Indemnification and insurance of officers and auditors

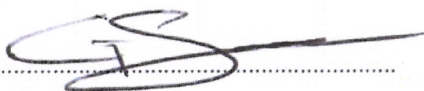
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of Spark44 Pty Limited.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 March 2021 has been received and can be found on page 3 of the financial report.

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

Director:



Director:



Dated this day of 2021

Spark44 Pty Limited

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**Auditor's Independence Declaration under Section 307C of the
Corporations Act 2001 to the Directors of Spark44 Pty Limited**

Auditor to provide the report.

[Enter place of signing]

Spark44 Pty Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 March 2021

		2021	2020
	Note	\$	\$
Sales revenue	4(a)	3,219,141	3,790,969
Cost of sales		(389,813)	(526,915)
Gross profit		2,829,328	3,264,054
Other income	4(b)	3,946	3,747
Amortisation and depreciation expenses		(101,552)	(295,246)
Employee expenses	5	(1,710,124)	(2,014,676)
Other expenses	6	(588,340)	(530,310)
Finance expenses	7	(13,108)	(23,672)
Profit before income tax		420,150	403,897
Income tax expense	8	(127,434)	(140,272)
Profit for the year		292,716	263,625
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		292,716	263,625

The accompanying notes form part of these financial statements.

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Statement of Financial Position

As At 31 March 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,399,087	898,748
Trade and other receivables	10	43,641	13,083
Current tax assets	13(a)	-	14,793
Prepayments		46,706	6,216
Total current assets		1,489,434	932,840
Non-current assets			
Restricted cash		102,415	162,433
Right-of-use assets	12	29,586	86,478
Property, plant and equipment	11	18,878	62,342
Deferred tax assets	13(c)	189,078	136,452
Total non-current assets		339,957	447,705
Total assets		1,829,391	1,380,545
Liabilities			
Current liabilities			
Trade and other payables	14	401,719	342,007
Lease liability		7,994	56,800
Current tax liabilities	13(b)	76,929	-
Total current liabilities		486,642	398,807
Non-current liabilities			
Trade and other payables	14	77,000	-
Lease liability		22,620	31,325
Total non-current liabilities		99,620	31,325
Total liabilities		586,262	430,132
Net assets		1,243,129	950,413
Equity			
Issued capital	15	1,000	1,000
Retained earnings		1,242,129	949,413
Total equity		1,243,129	950,413

The accompanying notes form part of these financial statements.

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Statement of Changes in Equity For the Year Ended 31 March 2021

2021

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 01 April 2020	1,000	949,413	950,413
Profit for the year	-	292,716	292,716
Balance at 31 March 2021	1,000	1,242,129	1,243,129

2020

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 01 April 2019	1,000	685,788	686,788
Profit for the year	-	263,625	263,625
Balance at 31 March 2020	1,000	949,413	950,413

The accompanying notes form part of these financial statements.

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Statement of Cash Flows For the Year Ended 31 March 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		3,510,498	4,294,706
Payments to suppliers and employees		(2,924,910)	(3,640,786)
Interest received		3,535	3,747
Interest paid		(1,756)	(5,725)
Income taxes paid		(88,338)	(364,071)
Net cash provided by/(used in) operating activities	21	<u>499,029</u>	<u>287,871</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		(1,196)	(8,900)
Purchase of financial assets		(102,415)	-
Proceeds from maturity of financial assets		<u>162,433</u>	<u>-</u>
Net cash provided by/(used in) investing activities		<u>58,822</u>	<u>(8,900)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		<u>(57,512)</u>	<u>(132,313)</u>
Net cash provided by/(used in) financing activities		<u>(57,512)</u>	<u>(132,313)</u>
Net increase/(decrease) in cash and cash equivalents held		500,339	146,658
Cash and cash equivalents at beginning of year		<u>898,748</u>	<u>752,090</u>
Cash and cash equivalents at end of financial year	9	<u><u>1,399,087</u></u>	<u><u>898,748</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2021

The financial report covers Spark44 Pty Limited as an individual entity. Spark44 Pty Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

The functional and presentation currency of Spark44 Pty Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 26 April 2021.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of preparation

In the opinion of the directors, the Company is not publicly accountable. These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and has been prepared to meet the requirement of the *Corporations Act 2001*.

The financial statements have been prepared under accrual basis of accounting including historical cost convention and going concern assumption as well as in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, 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 1048 *Interpretation and Application of Standards* and AASB 1054 *Australian Additional Disclosures*.

(a) New or amended Accounting Standards and Interpretations adopted

In the current year, The Company has applied the following new and revised accounting standards that are effective for an annual period that begins on or after 1 April 2020.

AASB 2018-7 Amendments to Australian Accounting Standards Definition of Material

The amendments refine the definition of material in AASB 101 to clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

AASB 2019-1 Amendments to Australian Accounting Standards References to the Conceptual Framework

The revised conceptual framework:

- Reintroduces the terms stewardship and prudence.
- Introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces but does not change the distinction between a liability and an equity instrument.
- Removes from the asset and liability definitions references to the expected flow of economic benefits this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement.
- Discusses historical cost and current value measures and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability.

Notes to the Financial Statements

For the Year Ended 31 March 2021

1 Basis of preparation (continued)

- States that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability.
- Discusses uncertainty, derecognition, unit of account, the reporting entity and combined financial statements.

The adoption of the new or amended Accounting Standards and Interpretations, as listed above, have not had a material impact on the Company's presentation of or disclosures in the financial statements.

2 Summary of significant accounting policies

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Summary of significant accounting policies (continued)

(b) Revenue and other income (continued)

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Summary of significant accounting policies (continued)

(e) Property, plant and equipment

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

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Furniture, fixtures and fittings	7 years
Computer equipment	4 years
Leasehold improvements	5 years
Other equipment	5 years
Fit out costs - incentive	5 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

(i) Financial assets

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: loans and receivables, comprise cash and cash equivalents and trade and other receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Restricted Cash

Restricted cash comprises of bond and security monies held for a specific purpose where that cash is not available for immediate use or for general operating activities.

(ii) Financial liabilities

The Company's financial liabilities are recognised initially on the trade date at which the entity becomes a party to the contractual provisions of the instrument. The Company's derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company's financial liabilities include trade and other payables. Trade and other payables are recognised initially at fair value in the period to which they relate. They are subsequently held at amortised cost using the effective interest rate method. They are derecognised when payment has been made.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(iv) Impairment of Financial Assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security.

Financial assets at amortised cost

The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit or loss.

(g) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Summary of significant accounting policies (continued)

(g) Impairment of non-financial assets (continued)

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(h) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Summary of significant accounting policies (continued)

(h) Leases (continued)

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Wages and salaries, annual leave, long service leave and sick leave

Examples of such benefits include wages and salaries, non monetary benefits and accumulating sick leave. Short term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Liabilities for wages and salaries, including non monetary benefits, annual leave and long service leave are recognised in respect of services provided by employees up to the reporting date and measured based on expected date of settlement. Expenses for non accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for wages and salaries, and annual leave expected to be settled after 12 months of the reporting date, and long service leave is recognised and measured as the present value of expected future payments to be made using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

Notes to the Financial Statements

For the Year Ended 31 March 2021

2 Summary of significant accounting policies (continued)

(j) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

(k) New Accounting Standards and Interpretations

There are no accounting standards and interpretations that are not yet effective and that are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

3 Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

(a) Revenue recognition - long term contracts

The Company undertakes long term contracts which span a number of reporting periods. Recognition of revenue in relation to these contracts involves estimation of future costs of completing the contract and the expected outcome of the contract. The assumptions are based on the information available to management at the reporting date, however future changes or additional information may mean the expected revenue recognition pattern has to be amended.

(b) Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Company. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Notes to the Financial Statements

For the Year Ended 31 March 2021

3 Critical accounting estimates and judgments (continued)

(c) Taxes

Deferred tax assets

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

Different jurisdictions

The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Impairment

An impairment loss is recognised for the amount by which the assets' or cash generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset specific risk factors.

Spark44 Pty Limited

ACN 602 084 346

Notes to the Financial Statements For the Year Ended 31 March 2021

4 Revenue and other income

(a) Revenue

	2021	2020
	\$	\$
Revenue from - provision of services	3,219,141	3,790,969
Total revenue	3,219,141	3,790,969

(b) Other income

	2021	2020
	\$	\$
Other income		
- Interest income from bank	3,535	3,747
- Foreign exchange gains - unrealised	411	-
Total other income	3,946	3,747

5 Employee expenses

	2021	2020
	\$	\$
Salary and wages	1,437,769	1,698,612
Superannuation expenses	111,374	137,372
Other employee expenses	160,981	178,692
Total employee expenses	1,710,124	2,014,676

6 Other expenses

	2021	2020
	\$	\$
Occupancy expenses	137,565	27,863
IT and communication expenses	58,754	65,263
Travel and entertainment expenses	7,462	34,819
Other expenses	384,559	402,365
Total other expenses	588,340	530,310

Notes to the Financial Statements

For the Year Ended 31 March 2021

7 Finance expenses

	2021	2020
	\$	\$
Foreign exchange losses - realised	5,106	9,192
Foreign exchange losses - unrealised	-	3,152
Bank	6,246	5,603
Interest expense on lease	1,756	5,725
Total finance expenses	13,108	23,672

8 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2021	2020
	\$	\$
Current tax expense		
Local income tax - current period	180,591	127,644
Local income tax - recognised in current tax for prior periods	(470)	-
Deferred tax expense		
Deferred income tax benefit	(52,687)	12,628
Total income tax expense	127,434	140,272

(b) Reconciliation of income tax to accounting profit:

	2021	2020
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2020: 30%)	126,045	121,169
Add:		
Tax effect of:		
- Non-deductible expenses	1,859	19,103
	127,904	140,272
Less:		
Tax effect of:		
- Adjustment for prior year tax expense	(470)	-
Total income tax expense	127,434	140,272

9 Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank and in hand	1,399,087	898,748
	1,399,087	898,748

Notes to the Financial Statements

For the Year Ended 31 March 2021

10 Trade and other receivables

	2021	2020
	\$	\$
<i>Current</i>		
Trade receivables	43,641	13,083
Total current trade and other receivables	43,641	13,083

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

11 Plant and equipment

	2021	2020
	\$	\$
Furniture, fixtures and fittings		
At cost	29,153	29,007
Accumulated depreciation	(17,901)	(15,495)
Total furniture, fixtures and fittings	11,252	13,512
Computer equipment		
At cost	158,885	157,834
Accumulated depreciation	(151,259)	(144,099)
Total computer equipment	7,626	13,735
Leasehold Improvements		
At cost	264,962	264,962
Accumulated amortisation	(264,962)	(244,399)
Total leasehold improvements	-	20,563
Fit out costs - incentive		
At cost	195,000	195,000
Accumulated depreciation	(195,000)	(180,468)
Total Fit out costs - incentive	-	14,532
Total plant and equipment	18,878	62,342

Notes to the Financial Statements

For the Year Ended 31 March 2021

11 Plant and equipment (continued)

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, fixtures and fittings \$	Computer equipment \$	Leasehold Improvements \$	Fit out costs - incentive \$	Total \$
Cost					
Balance at 1 April 2020	29,007	157,834	264,962	195,000	646,803
Additions	146	1,051	-	-	1,197
Balance at 31 March 2021	29,153	158,885	264,962	195,000	648,000
Accumulated Depreciation					
Balance at 1 April 2020	(15,495)	(144,099)	(244,399)	(180,468)	(584,461)
Depreciation expense	(2,406)	(7,160)	(20,563)	(14,532)	(44,661)
Balance at 31 March 2021	(17,901)	(151,259)	(264,962)	(195,000)	(629,122)
Carrying amount at 31 March 2021	11,252	7,626	-	-	18,878
Carrying amount at 31 March 2020	13,512	13,735	20,563	14,532	62,342

12 Leases

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Company as a lessee

The Company has leases over a range of assets including land and buildings, machinery and IT equipment.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

(a) Right-of-use assets

	Office lease \$	Printer lease \$	Total \$
Balance at 1 April 2020	48,016	38,462	86,478
Depreciation	(48,016)	(8,876)	(56,892)
Balance at 31 March 2021	-	29,586	29,586

Notes to the Financial Statements

For the Year Ended 31 March 2021

12 Leases (continued)

(b) Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	1,756	5,725
Depreciation of right-of-use assets	56,892	133,960
	58,648	139,685

(c) Statement of Cash Flows

	2021	2020
	\$	\$
Total cash outflow for leases	59,268	138,038

13 Tax assets and liabilities

(a) Current Tax Asset

	2021	2020
	\$	\$
Income tax receivable	-	14,793
Total current tax assets	-	14,793

(b) Current Tax Liability

	2021	2020
	\$	\$
Income tax payable	76,929	-
Total current tax liabilities	76,929	-

Notes to the Financial Statements

For the Year Ended 31 March 2021

13 Tax assets and liabilities (continued)

(c) Recognised deferred tax assets

	Opening Balance \$	Charged to Income \$	Closing Balance \$
Deferred tax assets			
Employee entitlements	45,785	(29,296)	16,489
Accruals	10,532	1,605	12,137
Tax depreciation	94,344	15,002	109,346
Prepaid expense (tax)	(1,346)	436	(910)
Lease expense	-	494	494
Other	(2,154)	1,050	(1,104)
Balance at March 31, 2020	147,161	(10,709)	136,452
Employee entitlements	16,489	28,991	45,480
Accruals	12,137	21,391	33,528
Tax depreciation	109,346	2,084	111,430
Prepaid expense (tax)	(910)	104	(806)
Lease expense	494	(186)	308
Other	(1,104)	242	(862)
Balance at March 31, 2021	136,452	52,626	189,078

14 Trade and other payables

	2021 \$	2020 \$
<i>Current</i>		
Trade payables	25,373	18,872
GST payable	63,978	68,885
Related party payables	83,710	97,827
Accrued expenses	154,221	102,305
Other payables	74,437	54,118
Total current trade and other payables	401,719	342,007

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

	2021 \$	2020 \$
<i>Non-Current</i>		
Accrued expense	77,000	-
Total non-current trade and other payables	77,000	-

Spark44 Pty Limited

ACN 602 084 346

Notes to the Financial Statements For the Year Ended 31 March 2021

15 Issued capital

	2021	2020
	\$	\$
	1,000	1,000
Total issue capital	1,000	1,000

(a) Ordinary shares

	2021	2020
	No.	No.
At the beginning of the reporting year	1,000	1,000
At the end of the reporting year	1,000	1,000

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

16 Leasing commitments

	2021	2020
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	9,828	59,268
- between one year and five years	22,932	32,760
	32,760	92,028

17 Dividends

No dividends were paid or declared since the start of the financial year. (2020: Nil).

18 Auditor's remuneration

	2021	2020
	\$	\$
- auditing or reviewing the financial statements	9,000	9,000
Total auditor's remuneration	9,000	9,000

The auditor is DDMI Consulting Pty Ltd.

19 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 March 2021 (31 March 2020: None).

Notes to the Financial Statements

For the Year Ended 31 March 2021

20 Related parties

(a) The Company's main related parties are as follows:

The ultimate holding company, which exercises control over the Company, is Spark44 (JV) Limited which is incorporated in United Kingdom and owns 100% of Spark44 Pty Limited.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Revenue 2021 \$	Purchase of service 2021 \$	Recharge to 2021 \$
Jaguar Land Rover Australia	2,886,815	-	332,326
Spark44 Ltd	-	155,582	-
Total	2,886,815	155,582	332,326

The following balances were outstanding at the end of the reporting year:

	Amount owed by 2021 \$	Amount owed to 2021 \$
Jaguar Land Rover Australia	43,641	-
Spark44 Ltd	-	83,710
Total	43,641	83,710

(c) Key management personnel disclosures

During the current financial year, the Company paid \$242,057 (2020: \$308,010) to the key management personnel.

Notes to the Financial Statements
For the Year Ended 31 March 2021**21 Cash flow information**

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit for the year	292,716	263,625
Non-cash flows in profit:		
- amortisation	-	49,083
- depreciation	101,552	246,163
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(30,558)	132,183
- (increase)/decrease in prepayments	(40,489)	2,754
- (increase)/decrease in deferred tax asset	(52,626)	10,709
- increase/(decrease) in trade and other payables	136,712	(182,139)
- increase/(decrease) in income taxes payable	91,722	(234,507)
Cashflows from operations	<u>499,029</u>	<u>287,871</u>

22 Events occurring after the reporting date

The financial report was authorised for issue on 26 April 2021 by the board of directors.

No matters or circumstances have arisen since the end of the financial year 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.

23 Statutory information

The registered office of the company is:

Spark44 Pty Limited
Level 5, 1 Chifley Square,
Sydney NSW 2000

The principal place of business is:

Level 5, 65 Berry Street,
North Sydney NSW 2000

Spark44 Pty Limited

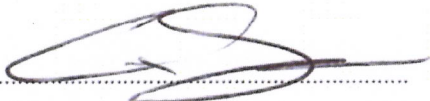
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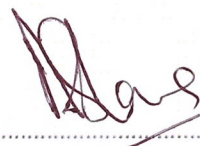
Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 26, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards (including the Australian Accounting Interpretations) to the extent described in Note 1, and the *Corporation Regulations 2001*; and
 - b. give a true and fair view of the financial position as at 31 March 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Director 

Director 

Dated

Spark44 Pty Limited

Independent Audit Report to the members of Spark44 Pty Limited

Auditor to provide the report.

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

Location

Dated this day of2021