

**MASTEK SYSTEMS PTY LTD**  
**ABN 22 615 406 221**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**REPORT OF THE DIRECTORS**

Your directors present this report on the company for the year ended 31 March 2023.

The names of the directors in office at any time during or since the end of the year are:

Domenic Cirnigliaro

Rakesh Raman

**Principal Activities**

The principal activity of the company during the year consisted of Oracle Cloud implementation and consultancy to cater to the needs of a market which demands high-quality, future-proof solutions. Otherwise, no significant changes in the company's state of affairs occurred during the year.

**Operating Results**

The company made an operating loss of AUD 513,600 for the year 2023. The Company made an operating profit of AUD 2,438,225 for the year 2022.

**Dividends**

No recommendation for payment of dividends has been made.

**Share Options**

No options over issued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the date of this report.

**Matters subsequent to balance date**

No matters or circumstances have arisen since the end of the year, which have 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 the year subsequent to 31 March 2023.

**Directors' benefits**

Since the end of the year, no director has received or has become entitled to receive a benefit such as would be required to report pursuant to section 309 of the Corporation law.

At the date of this report, no director has any interest in a contract or proposed contract with the company and none has been entered into since the end of the previous year.

**Indemnification of Directors or Auditor**

No indemnity agreements have been entered between the company and any of the directors or officers.

The company makes no contribution to any indemnity insurance premium to insure against the Liabilities of a Director, Officer or Auditor.

**Proceedings on behalf of the Company**

No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purposes 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 year.

**Auditors Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been included.

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



Domenic Cirnigliaro

Director

Date: July 31, 2023

## Auditor's Independence Declaration

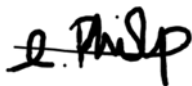
### To the Directors of Mastek Systems Pty Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Mastek Systems Pty Limited for the year ended 31 March 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



C D Philp  
Partner – Audit & Assurance

Brisbane, 31 July 2023

**Mastek Systems Pty Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 March 2023**

	Note	2023	2022
		\$	\$
<b>Revenue</b>	3	8,382,426	10,723,804
Other income	4	52,055	1,931
<b>Expenses</b>			
Employee benefit expenses		2,061,275	1,898,675
Depreciation	5	-	11,606
Impairment of receivables		165,106	7,700
Other expenses	5	6,984,632	5,463,269
Finance Costs	5	3,000	184
<b>(Loss)/profit before income tax expenses</b>		<b>(779,532)</b>	<b>3,344,301</b>
Income tax expense	6	(265,932)	906,076
<b>(Loss)/profit after income tax expense for the year attributable to the owners of Mastek Systems Pty Limited</b>		<b>(513,600)</b>	<b>2,438,225</b>
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total Comprehensive (loss)/income for the year attributable to the owners of Mastek Systems Pty Limited</b>		<b>(513,600)</b>	<b>2,438,225</b>

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

**Mastek Systems Pty Limited**  
**Statement of financial position**  
**As at 31 March 2023**

	Note	2023	2022
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,285,351	4,675,292
Trade and other receivables	8	1,872,279	723,870
Contract assets	9	816,665	1,892,519
Other	10	3,888,217	3,159
<b>Total current assets</b>		<b>7,862,512</b>	<b>7,294,840</b>
<b>Non- current Assets</b>			
Property plant and equipment	11	-	-
Deferred tax assets	12	334,572	1,925
<b>Total non-current assets</b>		<b>334,572</b>	<b>1,925</b>
<b>Total assets</b>		<b>8,197,084</b>	<b>7,296,765</b>
<b>Current liabilities</b>			
Trade and other payables	13	1,054,515	613,958
Contract liabilities	14	1,228,797	513,021
Income Tax	15	-	90,189
Employee benefits	16	489,036	246,399
Other	17	233,786	128,648
<b>Total liabilities</b>		<b>3,006,134</b>	<b>1,592,215</b>
<b>Net assets</b>		<b>5,190,950</b>	<b>5,704,550</b>
<b>Equity</b>			
Issued share capital	18	50,000	50,000
Retained earnings	19	5,140,950	5,654,550
<b>Total equity</b>		<b>5,190,950</b>	<b>5,704,550</b>

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

**Mastek Systems Pty Limited**  
**Statement of cash flows**  
**For the year ended 31 March 2023**

	2023	2022
	\$	\$
<b>Cash flow from operating activities</b>		
Receipts from customers (inclusive of GST)	8,144,766	10,461,457
Payments to suppliers and employees (inclusive of GST)	(7,877,845)	(7,190,942)
Interest received	43,384	1,932
Interest and other finance costs paid	(3,000)	(184)
Income taxes paid	(242,257)	(1,876,731)
<b>Cash flows from operating activities before working capital changes</b>	<b>65,048</b>	<b>1,395,532</b>
<b>Net cash flows from operating activities</b>	<b>65,048</b>	<b>1,395,532</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	-	(11,606)
Loan given	(3,454,989)	-
<b>Net cash flow used in investing activities</b>	<b>(3,454,989)</b>	<b>(11,606)</b>
Net increase in cash and cash equivalents	<b>(3,389,941)</b>	<b>1,383,926</b>
Cash and cash equivalents at the beginning of the year	4,675,292	3,291,366
<b>Cash and cash equivalents at the end of the year</b>	<b>1,285,351</b>	<b>4,675,292</b>

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

**Mastek Systems Pty Limited**  
**Statement of changes in equity**  
**For the year ended 31 March 2023**

Particulars	Share capital	Retained earnings	Total
	\$	\$	\$
<b>Balance as at April 1, 2021</b>	<b>50,000</b>	<b>3,216,325</b>	<b>3,266,325</b>
Profit for the year	-	2,438,225	2,438,225
<b>Balance as at March 31, 2022</b>	<b>50,000</b>	<b>5,654,550</b>	<b>5,704,550</b>
<b>Balance as at April 1, 2022</b>	<b>50,000</b>	<b>5,654,550</b>	<b>5,704,550</b>
Profit for the year	-	(513,600)	(513,600)
<b>Balance as at March 31, 2023</b>	<b>50,000</b>	<b>5,140,950</b>	<b>5,190,950</b>

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

**MASTEK SYSTEMS PTY. LTD.**  
**Notes to the financial statements**  
**31 March 2023**

**Note 1 Summary of significant accounting policies**

Mastek Systems Pty. Ltd. (the Company) is a company limited by shares, incorporated and domiciled in Australia.

The principal accounting policies adopted in the preparation of the financial statements are set out 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.

Any 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, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

*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 2a.

*Foreign currency translation*

The financial statements are presented in Australian dollars, which is Pinnacle Foreign Controlled Company Simplified Disclosure Pty Limited's functional and presentation currency.

*Foreign currency transactions*

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



## **Note 2 - Accounting Policies**

### **Income Tax and Deferred tax**

#### 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 transaction that is not a business combination and that, at the time of the transaction, affects neither the taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint venture of the reversal can be controlled and it is probable that the temporary difference will not reverse in the for

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

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

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

#### **Current and non-current classification**

Assets and liabilities are presented in the statement of 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.

**MASTEK SYSTEMS PTY. LTD.**  
**Notes to the financial statements**  
**31 March 2023**

**Note 2 - Accounting Policies (continued)**

**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. Trade receivables are generally due for settlement within 1 months.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses

**Revenue and other income**

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

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 recognition relating to provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

**MASTEK SYSTEMS PTY. LTD.**  
**Notes to the financial statements**  
**31 March 2023**

**Note 2 - Accounting Policies (continued)**

*Interest*

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

Other revenue

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

**Cash and 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.

**Contract assets**

Contract assets are recognised when the company has transferred goods or services to the customer but where the company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

**Property, plant and equipment**

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

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

Computers	1 year
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

**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 grouped together to form a cash-generating unit.

**MASTEK SYSTEMS PTY. LTD.**  
**Notes to the financial statements**  
**31 March 2023**

**Note 2 - Accounting Policies (continued)**

**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 30-60 days of recognition.

**Contract liabilities**

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

**Employee benefits**

*Short-term employee benefits*

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

*Other long-term employee benefits*

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

*Defined contribution superannuation expense*

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

**Fair value measurement**

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

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

**MASTEK SYSTEMS PTY. LTD.**  
**Notes to the financial statements**  
**31 March 2023**

**Note 2 - Accounting Policies (continued)**

**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.

**Provisions**

A provision is recognized when there is legal or constructive obligation as a result of a past event and it is possible that a future sacrifice of economic benefits will be required to settle the obligation.

**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.

**Rounding of amounts**

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

**Note 2a. 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.

**MASTEK SYSTEMS PTY. LTD.**  
**Notes to the financial statements**  
**31 March 2023**

**Note 2a. Critical accounting judgements, estimates and assumptions (continued)**

Revenue from contracts with customers

The entity recognises the amount of contract revenue and related contract assets based on management's best estimate of each contract's transaction price and progress with respect to the satisfaction of performance obligations over time.

Determination of variable consideration

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the company where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Recovery of deferred tax assets

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

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.

**Mastek Systems Pty Limited**  
**Notes to the financial statements**  
**31 March 2023**

**3 Revenue**

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Rendering of services	8,382,426	10,723,804
	<b>8,382,426</b>	<b>10,723,804</b>

The following table presents revenue disaggregated by timing of recognition:

	2023	2022
	\$	\$
Products or services transferred over time	3,217,928	10,723,804
Services transferred at a point in time	5,164,498	-
	<b>8,382,426</b>	<b>10,723,804</b>

**4 Other income**

	2023	2022
	\$	\$
Interest income	43,384	1,931
Rechargeable expense	6,461	-
Other	2,210	-
	<b>52,055</b>	<b>1,931</b>

**5 Expenses**

Profit before income tax includes the following specific expenses:

	2023	2022
	\$	\$
Depreciation	-	11,606
Finance costs		
Interest and finance charges paid	3,000	184
Other expenses		
Corporate administration	738,798	202,074
Auditor's remuneration	17,219	12,424
Professional fees	6,228,615	5,248,771
	<b>6,984,632</b>	<b>5,463,269</b>

**6 Income tax expense**

	2023	2022
	\$	\$
Income tax expenses		
Current tax	-	921,800
Deferred tax - origination and reversal of temporary differences	(332,647)	44,590
Adjustment recognised for prior periods	66,715	(60,314)
Aggregate income tax expenses	<b>(265,932)</b>	<b>906,076</b>

Deferred tax included in income tax expense comprises:

Increase in deferred tax assets (note 12)	332,647	44,590
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Numerical reconciliation of income tax expense and tax at the statutory rate Profit before income tax expense

Tax at the statutory tax rate of 30%/27.5%	(779,532)	3,344,301
	<b>(233,860)</b>	<b>919,683</b>

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Adjustment recognised for prior periods	<b>(32,072)</b>	<b>(13,607)</b>
Income tax expenses	<b>(265,932)</b>	<b>906,076</b>

**Mastek Systems Pty Limited**  
**Notes to the financial statements**  
**31 March 2023**

**7 Current Assets - Cash and cash equivalents**

	2023	2022
	\$	\$
Cash at bank	1,285,351	4,675,292
	<u>1,285,351</u>	<u>4,675,292</u>

**8 Current Assets - Trade and other receivables**

	2023	2022
	\$	\$
Trade debtors	2,045,085	731,570
Less: Allowance for expected credit loss	(172,806)	(7,700)
	<u>1,872,279</u>	<u>723,870</u>

**9 Current Assets - Contract assets**

	2023	2022
	\$	\$
Contract assets	816,665	1,892,519
	<u>816,665</u>	<u>1,892,519</u>

**10 Current Assets - Other**

	2023	2022
	\$	\$
Deposit and prepayments	15,228	3,159
Loans	3,454,989	-
Advance Income tax	418,000	-
	<u>3,888,217</u>	<u>3,159</u>

**11 Non- current Assets - Property, plant and equipment**

	2023	2022
	\$	\$
Computer - at cost	13,908	13,908
Less: Accumulated depreciation	(13,908)	(13,908)
	<u>-</u>	<u>-</u>

**12 Non- current Assets - Deferred tax assets**

	2023	2022
	\$	\$
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit loss	<u>334,572</u>	<u>1,925</u>
Movements:		
Opening balance	1,925	46,515
Credited/(Debited) to profit or loss	<u>332,647</u>	<u>(44,590)</u>
Closing balance	<u>334,572</u>	<u>1,925</u>



**Mastek Systems Pty Limited**  
**Notes to the financial statements**  
**31 March 2023**

**13 Current liabilities - Trade and other payables**

	2023	2022
	\$	\$
Trade payable	148,467	158,272
Mastek Enterprise Solutions Private Limited	768,632	367,189
Mastek Arabia FZ-LLC	118,781	-
Mastek Limited	14,148	-
TAIS (Mastek)	4,487	88,497
	<u>1,054,515</u>	<u>613,958</u>

**14 Current liabilities - Contract liabilities**

	2023	2022
	\$	\$
Contract liabilities	1,228,797	513,021
	<u>1,228,797</u>	<u>513,021</u>

**15 Current liabilities - Income Tax/(Advance income tax)**

	2023	2022
	\$	\$
Provision for income tax	-	90,189
	<u>-</u>	<u>90,189</u>

**16 Current liabilities - Employee benefits**

	2023	2022
	\$	\$
Sales incentive	386,865	165,323
Employee related payables	102,171	81,076
	<u>489,036</u>	<u>246,399</u>

**17 Current liabilities - Other**

	2023	2022
	\$	\$
GST/ Sales tax payable	233,786	128,648
	<u>233,786</u>	<u>128,648</u>

**18 Equity - Issued capital**

	2023	2022
	\$	\$
Ordinary shares - fully paid	<u>50,000</u>	<u>50,000</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

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.

**19 Equity - Retained profits**

	2023	2022
	\$	\$
Retained profits at the beginning of the financial year	5,654,550	3,216,325
Profit after income tax expense for the year	(513,600)	2,438,225
	<u>5,140,950</u>	<u>5,654,550</u>

**20 Remunerations of auditors**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the

	<b>2023</b>	<b>2022</b>
	\$	\$
<i>Audit service - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	17,219	12,424

**21 Contingent liabilities**

There are no contingent liabilities.

**22 Key management personnel disclosures**

*Compensation*

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

	<b>2023</b>	<b>2022</b>
	\$	\$
Aggregate compensation	260,008	329,164

**23 Related party disclosures**

The immediate parent entity is Mastek Enterprise Solution Private Limited (incorporated in India), which at 31 March 2023 owned 100% (2022: 100%) of the issued share capital of the company. The ultimate parent entity is Mastek Limited (incorporated in the India), a company listed on Stock Exchange in India.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 22

*Transactions with related parties*

The following transactions occurred with related parties:

Payment for goods and services:		
Payment for professional fees	5,009,091	4,074,031
Receipt of interest income	35,030	-

*Receivable from and payable to related parties*

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

Current payables:		
Trade payable to related parties	906,048	502,940
Loan to related parties	3,454,989	-

*Terms and conditions*

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

**Mastek Systems Pty Limited**  
**Notes to the financial statements**  
**31 March 2023**

**24 Franking credits**

	2023	2022
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	2,616,278	2,312,456
	<u>2,616,278</u>	<u>2,312,456</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

**25 Events after the reporting period**

No matter or circumstance has arisen since 31 March 2023 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.

**MASTEK SYSTEMS PTY LTD**

**Directors' declaration**

**31 March 2023**

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 2023 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



Domenic Cirnigliaro  
Director  
July 31, 2023, Australia

## Independent Auditor's Report

### To the Members of Mastek Systems Pty Ltd

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Mastek Systems Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2023, the statement of profit or loss and other 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 our opinion, the accompanying financial report of the Company 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 203 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company's Directors report for the year ended 31 March 2023, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We 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 Standard – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001*. The Directors' responsibility also includes 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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



C D Philp  
Partner – Audit & Assurance

Brisbane, 31 July 2023