Company Registration No. 00538.2011

PT. Affle Indonesia

Annual Financial Statements
31 March 2021

PT. Affle Indonesia

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PT. Affle Indonesia

Statement of comprehensive income
For the financial year ended 31 March 2021

	Note	2021 IDR '000	2020 IDR '000
Revenue	4	38,521,871	32,058,680
Other income	5	1,278,667	84,925
Expenses			
Depreciation	9,13	528,490	426,653
Allowance for expected credit losses	10	–	464,777
Business development and marketing expenses		1,916,623	2,240,385
Project development and service fees		264,987	–
Professional fees		417,175	368,354
Inventory and data cost		25,950,855	18,115,439
Rental expenses relating to short-term leases		–	225,000
Salaries and employee benefits	6	8,067,352	8,182,721
Travelling expenses		–	200,097
Finance cost		85,506	67,228
Other expenses	7	31,179	1,917,857
		37,262,167	32,208,511
Profit/(loss) before tax		2,538,371	(64,906)
Income tax expense	8	(1,081,277)	(28,586)
Profit/(loss) after tax, representing total comprehensive income for the year		1,457,094	(93,492)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PT. Affle Indonesia

Balance sheet
As at 31 March 2021

	Note	2021 IDR ’000	2020 IDR ’000
Non-current assets			
Plant and equipment	9	65,068	120,208
Right-of-use assets	13	146,607	619,957
Deferred tax assets		13,247	15,098
		224,922	755,263
Current assets			
Trade and other receivables	10	11,530,230	13,829,378
Accrued revenue	4	2,686,000	788,120
Prepayments		97,649	135,997
Cash and cash equivalents	11	9,906,400	2,353,776
		24,220,279	17,107,271
Total assets		24,445,201	17,862,534
Current liabilities			
Trade and other payables	12	19,270,675	13,940,124
Lease liabilities	13	159,223	503,347
Provision for tax		295,150	(11,004)
		19,725,048	14,432,467
Net current assets		4,495,231	2,674,804
Non-current liabilities			
Lease liabilities	13	–	177,004
Deferred tax liabilities		9,996	–
		9,996	177,004
Total liabilities		19,735,044	14,609,471
Net assets		4,710,157	3,253,063
Equity			
Share capital	14	4,560,000	4,560,000
Retained earnings		150,157	(1,306,937)
Total equity		4,710,157	3,253,063
Total equity and liabilities		24,445,201	17,862,534

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statement of changes in equity
For the financial year ended 31 March 2021

	Share capital (Note 14) IDR ’000	**Retained earnings** IDR ’000	**Total equity** IDR ’000
As at 31 March 2020 and 1 April 2020	4,560,000	(1,306,937)	3,253,063
Profit for the year, representing total comprehensive income for the financial year	–	1,457,094	1,457,094
As at 31 March 2021	4,560,000	150,157	4,710,157
As at 31 March 2019 and 1 April 2019	4,560,000	(1,213,445)	3,346,555
Loss for the year, representing total comprehensive income for the financial year	–	(93,492)	(93,492)
As at 31 March 2020	4,560,000	(1,306,937)	3,253,063

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PT. Affle Indonesia

Cash flow statement
For the financial year ended 31 March 2021

	Note	2021 IDR '000	2020 IDR '000
Cash flows from operating activities			
Profit/(loss) before tax		2,538,371	(64,906)
Adjustments for:			
Interest income	5	(123,931)	(84,925)
Depreciation of plant and equipment	9	55,140	116,675
Depreciation of right-of-use assets	13	473,350	309,979
(Write-back)/ allowance for expected credit losses	10	(316,098)	464,777
Finance cost		63,906	67,228
Interest expense on lease liabilities	13	21,600	25,915
Unrealised exchange gain		(974,224)	(14,154)
Operating cash flows before changes in working capital		1,738,114	820,589
Increase in accrued revenue		(1,897,880)	(582,119)
Decrease/(increase) in trade and other receivables		2,617,096	(6,129,452)
Decrease in deposits		–	35,021
Decrease/(increase) in prepayments		38,349	(65,405)
Increase in trade and other payables		6,581,601	2,907,579
Cash flows from/(used in) operations		9,077,280	(3,013,787)
Interest received		123,931	84,925
Interest expense paid		(85,506)	(93,143)
Income tax paid		(1,081,277)	–
Net cash flows generated from/(used in) operating activities		8,034,428	(3,022,005)
Cash flows from investing activity			
Purchase of plant and equipment	9	–	(91,111)
Net cash flows used in investing activity		–	(91,111)
Cash flows from financing activities			
Advances from immediate holding company		–	1,949,299
Advances to related company		–	(738,141)
Payment of principal portion of lease liabilities	13	(521,128)	(249,585)
Net cash flows (used in)/generated from financing activities		(521,128)	961,573
Net increase/(decrease) in cash and cash equivalents		7,513,300	(2,151,543)
Cash and cash equivalents at the beginning of year		2,353,776	4,498,508
Effect of exchange rate changes on cash and cash equivalents		39,324	6,811
Cash and cash equivalents at end of year	11	9,906,400	2,353,776

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

PT Affle Indonesia (the "Company") is a limited liability company incorporated and domiciled in Indonesia. The immediate holding company is Affle International Pte Ltd, which is incorporated in Singapore.

The ultimate holding company is Affle Holdings Pte Ltd, incorporated in Singapore. Related companies in these financial statements refer to subsidiaries of Affle Holdings Pte. Ltd.

The principal activity of the Company is rendering service through Mobile Audience as a Service ("MAAS") platform ("the Platform"). The Platform uses cloud based audience algorithms to build, promote and monetize mobile assets for our customers. There have been no significant changes in the nature of these activities during the financial period.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Indonesian Rupiah ("IDR") and all values in the tables are rounded to the nearest thousand (IDR '000), unless otherwise indicated.

2.2 *Standards issued but not yet effective*

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	***Effective for annual periods beginning on or after***
Amendments to FRS(I) 16 *Covid-19-Related Rent Concessions beyond 30 June 2021*	1 April 2021
Amendments to FRS(I) 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to FRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to FRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to FRS(I) 1-1 *Classification of Liabilities as Current or Non-current*	1 January 2023

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. Summary of significant accounting policies (cont'd)

2.3 *Foreign currency*

The financial statements are presented in Indonesian Rupiah, which is also the Company's functional currency. The Company determines its own functional currency and items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in the profit or loss.

2.4 *Plant and equipment*

Plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computers	-	3 years
Office equipment	-	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2. Summary of significant accounting policies (cont'd)

2.5 *Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.6 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

2. Summary of significant accounting policies (cont'd)

2.6 *Financial instruments (cont'd)*

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

<u>Investments in debt instruments (cont'd)</u>

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. Summary of significant accounting policies (cont'd)

2.6 *Financial instruments (cont'd)*

(b) Financial liabilities (cont'd)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.7 *Impairment of financial assets*

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.8 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and demand deposits.

2.9 *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.10 *Employee benefits*

(a) Defined contribution plan

The Company participates in the national pension schemes as defined by the law in Indonesia. The Company makes contributions to the Social Insurance Administration Organisation in Indonesia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.11 *Leases*

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets

If ownership of leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, deprivation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

2. Summary of significant accounting policies (cont'd)

2.11 *Leases (cont'd)*

As lessee (cont'd)

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are disclosed in Note 13.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition to not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit on a straight-line basis over the lease term.

2. Summary of significant accounting policies (cont'd)

2.12 *Revenue*

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Development of mobile assets (Enterprise Platform)

Revenue from the development of mobile assets is recognised by reference to the stage of completion at the end of the reporting period by using the percentage-of-completion method based on the actual service provided as a proportion of the total services to be performed. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

(b) Services rendered for mobile assets (Consumer Platform)

Revenue from services rendered for mobile assets is recognised on accrual basis upon rendering of services based on the terms of the contracts. In terms of contracts, excess/shortfall of revenue over the billed as at the period-end is carried in financial statement as gross amount due from/to customers for contract work-in-progress.

(c) Interest income

Interest income is recognised using the effective interest method.

2.13 *Taxes*

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of significant accounting policies (cont'd)

2.13 *Taxes (cont'd)*

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from 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 the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.14 *Share Capital*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.15 *Contingencies*

A contingent liability is:

(a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) A present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgements and estimates (cont'd)

3.1 *Key sources of estimation uncertainty (cont'd)*

(a) Impairment assessments of non-financial assets

Impairment exists when indicators are identified that indicate that the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. Factors that the Company considers in deciding when to perform an impairment review include, but are not limited to significant under-performance of a business or product line in relation to expectations, significant negative industry or economic trends, and significant planned changes in the use of the CGU.

The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. Historically, the Company's asset impairment analyses have utilised a value in use model. When preparing a value in use model, the Company makes subjective judgments in determining the independent cash flows that can be related to a specific CGU based on its asset usage model and manufacturing capabilities in addition to the discount rate used in the value in use computation

(b) Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

4. Revenue

(a) Disaggregation of revenue

	2021 IDR '000	2020 IDR '000
Services rendered for mobile assets (Consumer Platform)	38,249,609	32,058,680
Development of mobile assets (Enterprise Platform)	272,262	–
	38,521,871	32,058,680
Business unit		
Advertisement Southeast Asia ("SEA")	28,106,320	29,527,978
Vizury/RevX/Shoffr	10,143,289	2,514,155
Enterprise	272,262	–
Advertisement India	–	16,547
	38,521,871	32,058,680
Timing of transfer of goods and services		
At a point in time	38,249,609	32,058,680
Over time	272,262	–

(b) Contract balances

Information about contract balances is disclosed as follows:

	Note	2021 IDR '000	2020 IDR '000
Receivables from contracts with customers	10	10,408,150	12,470,698
Accrued revenue		2,686,000	788,120

Accrued revenue relates to completed services rendered for mobile assets that has yet to be billed to customers.

Significant changes in accrued revenue are explained as follows:

	2021 IDR '000	2020 IDR '000
Accrued revenue reclassified to receivables	788,120	206,001

The Company has applied the practical expedient not to disclose information about its remaining performance obligation as the contracts have an original expected duration of less than a year.

5. Other income

	2021 IDR '000	2020 IDR '000
Interest income	123,931	84,925
Foreign exchange gain	838,638	–
Bad debts recovered	316,098	–
	1,278,667	84,925

6. Salaries and employee benefits

	2021 IDR '000	2020 IDR '000
Salaries and bonuses	7,650,279	7,710,151
Defined contribution plan	251,166	247,716
Other short term benefits	165,907	224,854
	8,067,352	8,182,721

7. Other expenses

	2021 IDR '000	2020 IDR '000
Communication expenses	6,562	16,759
Miscellaneous expenses	1,222	37,161
Foreign exchange loss	–	1,449,823
Others	23,395	414,114
	31,179	1,917,857

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2021 and 2020 are:

	2021 IDR '000	2020 IDR '000
Statement of comprehensive income		
Income tax:		
Current income taxation	359,000	49,144
Over provision in prior year	–	(5,460)
Utilisation of withholding tax	638,790	–
Others	71,640	–
	1,069,430	43,684
Deferred tax:		
Origination and reversal of temporary differences	11,847	(15,098)
Income tax expense recognised in profit or loss	1,081,277	28,586

Relationship between tax expense and accounting profit (cont'd)

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2021 and 2020 are as follows:

	2021 IDR '000	2020 IDR '000
Profit/(loss) before tax	2,538,371	(64,906)
Tax calculated at a tax rate of 25% (2020: 25%)	634,593	(16,226)
Effects of:		
Non-deductible expenses	279,179	128,151
Income not subject to taxation	(30,983)	(21,231)
Effect of partial tax exemption	(22,143)	(45,324)
Over provision in prior year	–	(5,460)
Origination and reversal of temporary differences	11,847	3,774
Utilisation of Withholding tax	124,011	–
Others	84,773	(15,098)
Income tax expense recognised in profit or loss	1,081,277	28,586

9. Plant and equipment

	Computers and Office Equipment
	IDR '000
Cost	
At 1 April 2019	409,340
Additions	91,111
Write-off	(69,264)
At 31 March 2020, 1 April 2020 and 31 March 2021	431,187
Accumulated depreciation	
At 1 April 2019	263,568
Depreciation charge for the year	116,675
Write-off	(69,264)
At 31 March 2020 and 1 April 2020	310,979
Depreciation charge for the year	55,140
At 31 March 2021	366,119
Net carrying amount	
At 31 March 2020	120,208
At 31 March 2021	65,068

10. Trade and other receivables

	2021	2020
	IDR '000	IDR '000
Current:		
Trade receivables:		
Trade receivables from third parties	10,561,672	12,940,318
Other receivables:		
Deposits	75,750	75,750
Other receivables	1,046,330	1,282,930
	11,683,752	14,298,998
Allowance for expected credit losses	(153,522)	(469,620)
Total trade and other receivables	11,530,230	13,829,378
Add: Cash and cash equivalents (Note 11)	9,906,400	2,353,776
Total financial assets carried at amortised cost	21,436,630	16,183,154

10. Trade and other receivables (cont'd)

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Allowance for expected credit losses

The movement in allowance for expected credit losses of trade receivables is computed based on lifetime ECL is as follows:

	2021	**2020**
	IDR '000	IDR '000
Movement in allowance accounts:		
At 1 April	469,620	4,843
Allowance for expected credit losses	–	464,777
Write-back	(316,098)	–
At 31 March	153,522	469,620

Credit risk exposure on trade receivables using a provision matrix

31 March 2021			Days past due			
	Current	< 30 days	> 31 to 60 days	> 61 to 90 days	> 90 days	Total
	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000
Carrying amount of trade receivables	3,407,759	3,530,042	931,570	552,846	2,139,455	10,561,672
Expected credit loss	–	–	–	–	153,522	153,522

31 March 2020			Days past due			
	Current	< 30 days	> 31 to 60 days	> 61 to 90 days	> 90 days	Total
	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000	IDR '000
Carrying amount of trade receivables	3,173,286	2,404,475	2,292,502	2,097,849	2,651,206	12,940,318
Expected credit loss	460,515	–	–	–	9,105	469,620

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

11. Cash and cash equivalents

	2021 IDR '000	2020 IDR '000
Cash at bank	606,400	953,776
Short term deposits	9,300,000	1,400,000
	9,906,400	2,353,776

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The effective interest rate as at 31 March 2021 for the Company was 2.04% (2020: 3.40%).

Cash and cash equivalents denominated in foreign currency at 31 March are as follows:

	2021 IDR '000	2020 IDR '000
United States Dollar	209,666	149,641

12. Trade and other payables

	2021 IDR '000	2020 IDR '000
Current		
Trade payables:		
Trade payables to third parties	642,986	449,960
Amount due to immediate holding company (trade)	9,850,079	5,572,765
Amount due to related company (trade)	–	1,630
	10,493,065	6,024,355
Other payables:		
Amount due to immediate holding company (non-trade)	1,904,025	964,293
Advance payment from customers	44,381	–
Accruals	6,494,200	6,852,808
Other payables	335,004	98,670
Total trade and other payables	19,270,675	13,940,126
Less: VAT payables	(232,997)	(5,098)
Total financial liabilities carried at amortised cost	19,037,678	13,935,028

12. Trade and other payables (cont'd)

Trade and other payables denominated in foreign currency at 31 March are as follows:

	2021 IDR '000	2020 IDR '000
United States Dollar	12,790,194	7,486,799
Singapore Dollar	1,482,369	577,829

13. Leases

The Company has entered into commercial leases principally for its office premise. These lease terms is 24 months.

(a) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2021 Office space IDR '000	2020 Office space IDR '000
At 1 April	619,957	–
Adoption of FRS 116 Leases	–	929,936
Depreciation expense	(473,350)	(309,979)
At 31 March	146,607	619,957

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movement during the period:

	2021 IDR '000	2020 IDR '000
As at 1 April	680,351	–
Adoption of FRS 116 Leases	–	929,936
Accretion of interest	21,600	25,915
Payments	(542,728)	(275,500)
As at 31 March	159,223	680,351
Current	159,223	503,347
Non-current	–	177,004

13. Leases (cont'd)

(c) The following are the amounts recognised in the profit or loss:

	2021 IDR '000	2020 IDR '000
Depreciation expense of right-of-use assets	473,350	309,979
Interest expense on lease liabilities	21,600	25,915
Deferred tax expense	11,848	15,098
Total amount recognised in profit or loss	506,798	350,992

(d) Total cash outflow

As at end of the reporting period, the Company had total cash outflow for leases of IDR 542,728,000 (2020: IDR 275,500,000).

(e) Extension options

The Company has extension options for the lease contract. However, these options are negotiated by the management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extensions are reasonably certain to be exercised.

14. Share capital

	2021		2020	
	No. of shares	IDR '000	No. of shares	IDR '000
Issued and fully paid ordinary shares				
At 1 April and 31 March	400,000	4,560,000	400,000	4,560,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

15. Related party transactions

(a) Sales and purchase of services

Other than the related party information disclosed elsewhere in the financial statements, the following are transactions between the Company and related parties during the financial year:

	2021	2020
	IDR '000	IDR '000
Service provided from immediate holding company	22,090,530	13,752,196
Recharge of manpower cost from immediate holding company	501,237	319,486

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	2021	2020
	IDR '000	IDR '000
Salaries and bonuses	2,362,796	2,163,583
Defined contribution plan	73,579	76,248
	2,436,375	2,239,831

16. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximate of fair value

Cash and cash equivalents, trade and other receivable, trade and other payables, amount due to related company/ immediate holding company based on their notional amounts, reasonably approximate their fair value due to their short-term nature. Management has assessed and determined the difference between fair value and carrying value of non-current payables to be not significant.

17. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks. Throughout the current financial year, the Company did not engage in speculative activities.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has no significant concentration of credit risk. The Company has policies in place to ensure that transactions are entered into only with counterparties that are of acceptable credit quality. In addition, receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

The maximum exposure to credit risk is represented by the net carrying amount of financial assets recorded in the financial statements. No other financial assets carry a significant exposure to credit risk.

<u>Exposure to credit risk</u>

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the outstanding trade and other receivables and cash and cash equivalents as disclosed in Note 10 and 11 respectively.

17. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Analysis of financial instrument by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less IDR '000
2021	
Financial assets:	
Trade and other receivables	11,530,230
Cash and cash equivalents	9,906,400
Total undiscounted financial assets	21,436,630
Financial liabilities:	
Trade and other payables	19,270,675
Lease liabilities	159,223
Total undiscounted financial liabilities	19,429,898
Total net undiscounted financial assets	2,006,732

17. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instrument by remaining contractual maturities (cont'd)

	One year or less IDR '000	One year or more IDR '000	Total IDR '000
2020			
Financial assets:			
Trade and other receivables	13,829,378	–	13,829,378
Cash and cash equivalents	2,353,776	–	2,353,776
Total undiscounted financial assets	16,183,154	–	16,183,154
Financial liabilities:			
Trade and other payables	13,940,124	–	13,940,124
Lease liabilities	503,347	177,004	680,351
Total undiscounted financial liabilities	14,443,471	177,004	14,620,475
Total net undiscounted financial assets/(liabilities)	1,739,683	(177,004)	1,562,679

(c) Foreign currency risk

The Company is exposed to foreign currency risk on sales and expenses that are denominated in other currencies. The currencies giving rise to this risk are primarily the United States Dollar (USD) and Singapore Dollar (SGD). The Company also holds cash and cash equivalents denominated in foreign currency for working capital purposes.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Company's profit before tax to a reasonably possible change in the USD and SGD exchange rates against the Company's functional currency, with all other variables held constant.

	Increase/(decrease) Profit before tax 2021 IDR '000	Increase/(decrease) Profit before tax 2020 IDR '000
USD		
- strengthened 5%	629,026	366,858
- weakened 5%	(629,026)	(366,858)
SGD		
- strengthened 5%	74,118	28,891
- weakened 5%	(74,118)	(28,891)

18. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Company relies on its immediate holding company to provide continuing financial support to enable the Company to repay its obligations as and when they fall due.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2021 and 31 March 2020.