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**CONNECTED IO, INC**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 12 NOVEMBER 2013**

**(DATE OF INCORPORATION)**

**TO**

**31 DECEMBER 2013**

CONNECTED IO, INC  
FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 12 NOVEMBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2013

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MANAGEMENT AND ADMINISTRATION

		Date of Appointment	Date of Resignation
<b>Directors</b>	: Ms Irina Chelysheva	15-Nov-13	20-Jan-15
	: Ms Wen Sung	15-Nov-13	20-Jan-15
	: Mr Sid Sung	15-Nov-13	-
	: Mr Yakov Temov	15-Nov-13	-
<b>Corporate Office</b>	: 3375 Scott Blvd, Suite 438 Santa Clara , CA 95054 United States of America		
<b>Bankers</b>	: Citi Bank NA Citibank CBO Services P.O Box 769018 San Antonio, Texas 78245 United States of America		
<b>Auditor</b>	: Yin Shoong Ten Siong (FCCA) Valor Associates Ltd 33, Labourdonnais Street Port Louis Republic of Mauritius		

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### INCORPORATION

The Company was incorporated in United States of America on 12 November 2013 as a private company with limited liability.

### PRINCIPAL ACTIVITY

The main activity of the Company consists of manufacturing and distributing machine to machine cellular products.

### RESULTS AND DIVIDENDS

The results for the period from 12 November 2013 to 31 December 2013 are shown in the statement of profit or loss and other comprehensive income.

The directors do not recommend the payment of a dividend for the period under review.

### DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and the cash flows of the Company. The directors are also responsible for keeping accounting records which :

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to ensure that the financial statements comply with International Financial Reporting Standards ("IFRS"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### DIRECTOR'S SERVICE CONTRACTS

The Company has no service contract with any of its directors.

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**DIRECTORS' REMUNERATION**

None of the directors received any remuneration and other benefits from the Company during the period under review.

**AUDITOR**

Please refer to note 6 of the Financial Statements regarding auditor's remuneration.

This audit has been carried out on a one-off basis as part of a special purpose audit exercise for the benefit of its members.

Consequently, there is no requirement for the auditor to be reappointed at the next annual general meeting.

**BY ORDER OF THE BOARD**



.....  
**Mr Yakov Temov**

**Director**

October 27, 2015

**Date :** .....

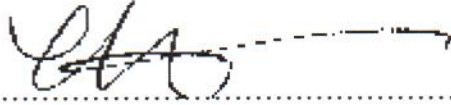
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CONNECTED IO, INC  
REPORT FROM THE SECRETARY

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We certify that, to the best of our knowledge and belief, Connected IO, INC has filed for the period ended 31 December 2013, all such returns as are required of the Company.



.....  
Secretary

Date: October 27, 2015

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This report is made solely at the special request of and to the member of the Company, as a body, in accordance with International Financial Reporting Standards ("IFRS"). My audit work has been undertaken so that I might state to the purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for my audit work, for this report, or for the opinions I have formed.

#### **Report on the Financial Statements**

I have carried out a special purpose audit of the Financial Statements of CONNECTED IO Inc, the "Company" on pages 8 to 20 which comprise the statement of financial position at 31 December 2013 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 12 November 2013 to 31 December 2013 and a summary of significant accounting policies and other explanatory notes.

#### **Director's Responsibilities for the Financial Statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards ("IFRS"). The Responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting made by the directors, as well as evaluating the overall presentation of the financial statements.

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

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**Opinion**

In my opinion, the financial statements on pages 8 to 20 give a true and fair view of the financial position of the Company at 31 December 2013 and of its financial performance and its cash flow for the period then ended in accordance with International Financial Reporting Standards ("IFRS") and comply with International Accounting Standards ("IAS").

**Report on other legal and regulatory requirements**

In accordance with the requirements of the International Financial Reporting Standards ("IFRS"), I report as follows:

- I have no relationship with, or interests in, the Company other than in my capacity as auditor;
- I have obtained all information and explanations that I have required; and
- In my opinion, proper accounting records have been kept by the Company as far as appears from my examination of those records.

**VALOR ASSOCIATES LTD**  
Chartered Accountants



**Yin Shoong Ten Siong**  
Licenced by FRC

Date: 27 OCT 2015

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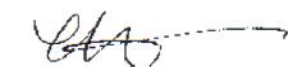


CONNECTED IO, INC  
 STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2013

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	<u>Notes</u>	<u>2013</u> <u>USD</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Trade and other receivables	8	13,850
Cash and cash equivalents		500
		<u>14,350</u>
<b>Total assets</b>		<u>14,350</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated capital	9	10
Retained Loss		(823)
<b>Shareholders' deficit</b>		<u>(813)</u>
<b>Current liabilities</b>		
Trade and other payables	10	15,163
Taxation	7	-
		<u>15,163</u>
<b>Total equity and liabilities</b>		<u>14,350</u>

Approved by the Board of Directors on :



.....  
**Mr Yakov Temov**  
 Director



.....  
**Mr Sid Sung**  
 Director

The notes on pages 12 to 20 form an integral part of these financial statements.  
 Independent Auditor's report on page 6 and 7.

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CONNECTED IO, INC  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE PERIOD FROM 12 NOVEMBER 2013 (DATE OF INCORPORATION)  
 TO 31 DECEMBER 2013

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	<u>Notes</u>	<u>2013</u> USD
Revenue	5	13,500
Direct Costs		<u>(5,270)</u>
<b>Gross profit</b>		8,230
Administrative expenses		(9,053)
Exchange loss		<u>-</u>
<b>Loss for the period</b>	6	(823)
Taxation	7	<u>-</u>
<b>Loss for the period after taxation</b>		<u>(823)</u>
<b>Other comprehensive income, net of income tax</b>		
Items that may be reclassified subsequently to profit or loss		-
Items that will not be reclassified subsequently to profit or loss		<u>-</u>
Other comprehensive income for the period, net of income tax		
<b>Total comprehensive loss for the period</b>		<u>(823)</u>
Loss for the period attributable to:		
• Owner of the Company		(823)
• Non-controlling interests		<u>-</u>
		<u>(823)</u>

The notes on pages 12 to 20 form an integral part of these financial statements.  
 Independent Auditor's report on page 6 and 7.

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CONNECTED IO, INC  
STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD FROM 12 NOVEMBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2013

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	<u>Stated Capital</u> USD	<u>Retained Earnings / (Loss)</u> USD	<u>Total</u> USD
At 12 November 2013	-	-	-
Issue of Ordinary Shares	10	-	10
Total comprehensive loss for the period	-	(823)	(823)
<b>At 31 December 2013</b>	<b>10</b>	<b>(823)</b>	<b>(813)</b>

The notes on pages 12 to 20 form an integral part of these financial statements.  
Independent Auditor's report on page 6 and 7.

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CONNECTED IO, INC  
 STATEMENT OF CASH FLOWS  
 FOR THE PERIOD FROM 12 NOVEMBER 2013 (DATE OF INCORPORATION)  
 TO 31 DECEMBER 2013

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	<u>2013</u>
	USD
<b>Operating activities</b>	
Loss for the period	(823)
Adjustment for: Movements	<u>-</u>
<b>Net Cash absorbed by operating activities</b>	(823)
<b>Changes in working capital</b>	
Change in trade and other receivables	(13,850)
Change in trade and other payables	<u>15,163</u>
<b>Cash generated by operating activities</b>	490
<b>Investing activities</b>	
Purchase of intangibles assets	-
<b>Net cash used in investing activities</b>	<u>-</u>
<b>Cash Flows from financing activities</b>	
Issue of ordinary shares	10
<b>Net increase in cash and cash equivalents</b>	<u>500</u>
<b>Movement in cash and cash equivalents</b>	
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	<u>500</u>
<b>Net increase in cash and cash equivalents</b>	<u>500</u>

The notes on pages 12 to 20 form an integral part of these financial statements.  
 Independent Auditor's report on page 6 and 7.

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1. LEGAL FORM AND ACTIVITY

Connected IO Inc, the "Company", was incorporated in the United States of America on 12 November 2013 as a private company with liability limited by shares. The Company's registered office is 1072 S DE ANZA, BLVD, Suite 402, San Jose, United States of America.

The principal activity of the Company consists of manufacturing and distributing machine to machine cellular products.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

(a) New and revised IFRSs applied affecting disclosures in the financial statements

**Amendments to IAS 1 Presentation of Items of Other Comprehensive Income**

- The Company has applied the amendments to IAS 1 Presentation of Items of Other Comprehensive Income in the current year. The amendments introduce income and income statement. Under the amendments to IAS 1 the "Statement of comprehensive income" is renamed the "Statement of profit or loss and other comprehensive income" and the amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

(a) items that will not be reclassified subsequently to profit or loss and

(b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

(b) Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements.

**IFRS 1 First-time Adoption of International Financial Reporting Standards**

- Amendments add an exception to the retrospective application of IFRS's to require that first-time adopters apply the requirements in IFRS 9 - Financial for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transaction to IFRS's. Instruments and IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance prospectively to government loans existing at the date of transaction to IFRS's.
- Amendments clarify the options available to users when repeated application of IFRS 1 is required and to add relevant disclosure requirements.
- Amendments to borrowing costs.

**IFRS 7 Financial Instruments: Disclosures**

- Amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standard followed, and the related net credit exposure.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS  
("IFRSs") (CONTINUED)

(b) Standards and Interpretations adopted with no effect on financial statements (Continued)

**IFRS 10 Consolidated Financial Statements**

- New standard that replaces the consolidation requirements in SIC-12 Consolidation - Special Purpose Entities and IAS 27 - Consolidated and separate Financial Statements. Standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Company and provides additional guidance to assist in the determination of control where this is difficult to assess.
- Amendments to the transition guidance of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.

**IFRS 11 Joint Arrangements**

- New standard that deals with the accounting for joint arrangements and focuses on the rights and obligations of the arrangement, rather than its legal form. Standard requires a single method for accounting for interests in jointly controlled entities.
- Amendments to the transition guidance of IFRS 10 - Consolidated Financial Statements, IFRS - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.

**IFRS 12 Disclosure of Interests in Other Entities**

- New and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- Amendments to the transition guidance of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities, thus limiting the requirements to provide adjusted comparative information.

**IFRS 13 Fair Value Measurement**

- New guidance on fair value measurement and disclosure requirements.

**IAS 1 Presentation of Financial Statements**

- New requirements to group together items within OCI that may be reclassified to the profit or loss section of the income statement in order to facilitate the assessment of the impact on the overall performance of an entity.
- Amendments clarifying the requirements for comparative information including minimum and additional comparative information required.

**IAS 12 Income Taxes**

- Rebuttable presumption introduced that an investment property will be recovered in its entirety through sale.

**IAS 16 Property, Plant and Equipment**

- Amendments to the recognition and classification of servicing equipment.

**IAS 19 Employee Benefits**

- Amendments to the accounting for current and future obligations resulting from the provision of defined benefit plans.

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2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS  
("IFRSs")(CONTINUED)

(b) Standards and Interpretations adopted with no effect on financial statements  
(Continued)

- IAS 27      **Consolidated and Separate Financial Statements**
- Consequential amendments resulting from the issue of IFRS 10, 11 and 12.
- IAS 28      **Investments in Associates**
- Consequential amendments resulting from the issue of IFRS 10, 11 and 12.
- IAS 32      **Financial Instruments: Presentation**
- Amendments require entities to disclose gross amount subject to rights of set-off, amounts set-off in accordance with the accounting standards followed, and the related net credit exposure.
  - Amendments to clarify the tax effect of distribution to holders of equity instruments.
- IAS 34      **Interim Financial Reporting**
- Amendments to improve the disclosures for interim financial reporting and segment information for total assets and liabilities.
  - Amendments to the recognition and classification of servicing equipment.

IFRIC 20    **Stripping Costs in the production Phase of a Surface Mine.**

(c) Standards and Interpretations in issue but not yet adopted

- IFRS 1      **First-time Adoption of International Financial Reporting Standards**
- Amendments to the Basis of Conclusion clarify the meaning of "effective IFRSs" (effective 1 July 2014).
- IFRS 2      **Share-based Payment**
- Amendments added the definitions of performance conditions and service conditions and amended the definitions of vesting conditions and market conditions (effective 1 July 2014).
- IFRS 3      **Business Combinations**
- Amendments to the measurement requirements for all contingent consideration assets and liabilities including those accounted for under IFRS 9 (effective 1 July 2014).
  - Amendments to the scope paragraph for the formation of a joint arrangement (effective 1 July 2014).

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS  
("IFRSs") (CONTINUED)

(b) Standards and Interpretations adopted with no effect on financial statements  
(Continued)

**IFRS 8 Operating Segments**

- Amendments to some disclosure requirements regarding the judgements made by management in applying the aggregation criteria, as well as those to certain reconciliations (effective 1 July 2014).

**IFRS 9 Financial Instruments**

- New standard arising from a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement
  - Phase 1: Classification and measurement (completed)
  - Phase 2: Impairment methodology (outstanding)
  - Phase 3: Hedge accounting (completed)
- Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk. Entities may voluntarily continue to measure their financial instruments in accordance with IAS 39 but benefit from the improved accounting for own credit risk in IFRS 9 by early adopting only that aspect of IFRS 9 separately.
- Amendments to the measurement requirements for all contingent consideration assets and liabilities included under IFRS 9 (effective 1 July 2014).

**IFRS 10 Consolidated Financial Statements**

- IFRS 10 exception to the principle that all subsidiaries must be consolidated. Entities meeting the definition of "Investment Entities" must account for investments in subsidiaries at fair value under IFRS 9 - Financial Instruments, or IAS 39 - Financial Instruments: Recognition and Measurement (effective 1 January 2014).

**IFRS 12 Disclosure of Interests in Other Entities**

- New disclosures required for Investment Entities (as defined in IFRS 10) (effective 1 January 2014).

**IFRS 13 Fair Value Measurement**

- Amendments to clarify the measurement requirements for those short-term receivables and payables (effective 1 July 2014).
- Amendments to clarify that the portfolio exception applies to all contracts within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9 (effective 1 July 2014).

**IAS 16 Property, Plant and Equipment**

- Amendments to the Revaluation method - proportionate restatement of accumulated depreciation (effective 1 July 2014).

**IAS 19 Employee Benefits**

- Amendments to Defined Benefit Plans: Employee Contributions whereby the requirements in IAS 19 for contributions from employees or third parties that are linked to service have been amended (effective 1 July 2014).

**IAS 24 Related Party Disclosures**

- Amendments to the definitions and disclosure requirements for key management personnel (effective 1 July 2014).

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2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS  
("IFRSs") (CONTINUED)

(b) Standards and Interpretations adopted with no effect on financial statements  
(Continued)

IAS 27 Consolidated and Separate Financial Statements

- Requirement to account for interests in "Investment Entities" at fair value under IFRS 9 - Financial Instruments, or IAS 39 - Financial Instruments: Recognition and Measurement, in the separate financial statements of a parent (effective 1 January 2014).

IAS 38 Intangible Assets

- Amendments to the Revaluation method - proportionate restatement of accumulated depreciation (effective 1 July 2014).

IAS 40 Investment Property

- Amendments to clarify the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property (effective 1 July 2014).

IFRIC 21 Levies (effective 1 January 2014).

- New disclosures required for Investment Entities (as defined in IFRS 10) (effective 1 January 2014).

The Directors anticipate that the adoption of these Standards and Interpretations at the above effective dates in future periods will have no material impact on the financial statements of the Company.

3. ACCOUNTING POLICIES

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

The preparation of financial statements in accordance with International Financial Reporting Standards "IFRS" requires management to make certain assumptions and estimates that affect the reported amounts of assets and liabilities, revenues and expenses and the contingent liabilities. Actual amounts could in certain cases differ from those assumptions and estimates. Changes are taken into account with statement of profit or loss and other comprehensive income effect if new information comes to light.

**Critical accounting estimates and judgements in applying accounting policies**

Estimates and judgements are continually evaluated and are based on past experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. At the date of statement of financial position, there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

(a) Basis of preparation

**Going Concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder of the Company. The directors have received confirmation from the shareholder that this support will be forthcoming over the next twelve months. They, therefore, believe that it is appropriate for the financial statements to be prepared on the going concern basis.

**Statement of Compliance**

The financial statements are in accordance and comply with "IFRS" and under the historical cost convention.

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3. ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The financial statements are presented in USD, which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of profit or loss other comprehensive income.

(c) Trade and other receivables

Trade receivables are carried at anticipated realizable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss and other comprehensive income.

(d) Deferred tax

Deferred tax is provided for, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised to the extent that it is probable that future taxable income is available against which the temporary differences can be utilized.

(e) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash at bank and net of bank overdraft. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

(f) Revenue recognition

Revenue is recognised when the right to receive payment is established and interest income is recognised in the statement of comprehensive income as interest accrues. Revenue is reduced for estimated customer returns, rebates and similar other allowances.

(g) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

(h) Impairment of assets

The carrying amount of assets is assessed at each statement of financial position date to determine whether there is any indication of impairment. When there is an indication of an impairment loss, the carrying amount of the asset is assessed and written down to its recoverable amount.

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**3. ACCOUNTING POLICIES (CONTINUED)**

**(i) Equity**

Share capital is determined using the nominal value of shares that have been issued.

Revenue reserves include all current and prior year results as disclosed in the statements of profit or loss and other comprehensive income.

**(j) Related parties**

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence on the other party in making financial and operating policy decisions.

**(k) De-recognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

**(l) De-recognition of financial liabilities**

The company derecognizes financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

**(m) Trade and other payables**

Trade and other payables are stated at their nominal values.

**(n) Comparatives**

Where applicable, comparatives have been changed to conform with changes in presentation of the current year.

**4. FINANCIAL RISK MANAGEMENT**

**4.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks, market risk (including foreign exchange risks, and interest rates risks), credit risk, and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

**(a) Market risk**

**(i) Foreign exchange risk**

The Company has all its assets and liabilities denominated in "USD". Hence it is not exposed to the risk of adverse movements in exchange rate of the "USD" relative to other currencies.

**(ii) Interest rate risk**

The Company's income and operating cash flows are substantially independent of changes in market interest rates and hence faces limited interest rate risk.

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4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 Financial risk factors (Continued)

(b) Credit risk

The Company has no significant concentrations of credit risk.

(c) Liquidity risk

Liquidity risk is managed by maintaining sufficient cash and by ensuring the availability of funding through committed credit facilities and the ability to close out market position.

4.2 Capital risk management and policies

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to provide adequate returns to its shareholder.

In order to properly manage the capital structure, the Company may adjust the amount of dividends paid to its shareholder.

4.3 Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The Company's financial assets and liabilities concern loans, trade and other receivables, cash and cash equivalents and trade and other payables and the carrying amounts of these financial assets and liabilities approximate their fair values.

5. REVENUE

Revenue includes income from the normal activity of the company.

6. PROFIT / (LOSS) BEFORE TAXATION

The profit / (loss) before taxation is arrived after charging:

Auditors' remuneration:

- Audit fees (Vat Inclusive)

2013
USD
-

The auditor is being remunerated directly by the members of the Company as a global fee and therefore no provision has been made in the accounts of the Company.

7. TAXATION

For the period under review, no provision for taxation has been made as the Company has no taxable income.

8. TRADE AND OTHER RECEIVABLES

Accounts receivables

2013
USD
13,850

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CONNECTED IO, INC  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 12 NOVEMBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2013

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<b>9. STATED CAPITAL</b>	
	<u>2013</u>
	<u>USD</u>
Issued and fully paid	
1,000 Ordinary shares of USD 0.01 each	<u>10</u>
<b>10. TRADE AND OTHER PAYABLES</b>	
	<u>2013</u>
	<u>USD</u>
Accounts payable	2,932
Other liabilities	12,231
Other advances	-
	<u>15,163</u>

**11. CAPITAL COMMITMENTS**

The Company had no material capital commitments at 31 December 2013.

**12. CONTINGENT LIABILITIES**

At 31 December 2013, the Company had no material litigation claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations.

**13. EVENTS AFTER THE REPORTING PERIOD**

There were no material events after the reporting period, which would require disclosure or adjustment to the financial statements at 31 December 2013.

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CONNECTED IO, INC  
EXPENSES SCHEDULES  
FOR THE PERIOD FROM 12 NOVEMBER 2013 (DATE OF INCORPORATION)  
TO 31 DECEMBER 2013

APPENDIX I

ADMINISTRATIVE EXPENSES

	<u>2013</u>
	USD
Consultancy fee	8,055
Employee benefits	25
Bank Charges	30
Printing, postage and stationery	360
Telecommunication expenses	100
Miscellaneous expenses	374
Travelling expenses	109
Auditor's remunerations	-
	<u>9,053</u>

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