



**RSM Chio Lim**  
Audit • Tax • Advisory

**VIRSTRA I-TECHNOLOGY (SINGAPORE) PTE. LTD.**  
(Registration No: 200416243C)

**Directors' Report and Financial Statements**

Year Ended 31 March 2013

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**Directors' Report and Financial Statements**

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## Directors' Report

The directors of the company are pleased to present their report together with the audited financial statements of the company for the reporting year ended 31 March 2013.

### 1. Directors at Date of Report

The directors of the company in office at the date of this report are:

Vishnu Rampratap Dusad  
Kapil Kumar Gupta

### 2. Arrangements to Enable Director to Acquire Benefits by Means of The Acquisition of Shares and Debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

### 3. Directors' Interests in Shares and Debentures

The directors of the company holding office at the end of the reporting year had no interests in the share capital and options of the company or related corporations as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 except as follows:

Name of directors and companies in which interests are held	Direct Interest		Deemed Interest	
	At beginning of reporting year	At end of reporting year	At beginning of reporting year	At end of reporting year
<u>Nucleus Software Exports Limited</u> (Ultimate Parent Company) Vishnu Rampratap Dusad - Ordinary shares (par value of Indian Rupees 10 each)	3,603,492	3,603,492	11,036,248	11,036,248
<u>Virstra-I Technology (Singapore) Pte. Ltd.</u> (The company) Kapil Kumar Gupta - Ordinary shares of no par value	1	1	—	—

**4. Contractual Benefits of Directors**

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Chapter 50, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest. Certain directors of the company received remuneration from related corporations in their capacity as directors and or executives of those related corporations.

**5. Share Options**

During the reporting year, no option to take up unissued shares of the company was granted.

During the reporting year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

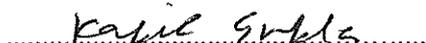
At the end of the reporting year, there were no unissued shares of the company under option.

**6. Independent Auditors**

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.



.....  
Vishnu Rampratap Dusad  
Director



.....  
Kapil Kumar Gupta  
Director

22 April 2013

**Statement by Directors**

In the opinion of the directors,

- (a) the accompanying statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and of the results, changes in equity and cash flows of the company for the reporting year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.



.....  
Vishnu Rampratap Dusad  
Director



.....  
Kapil Kumar Gupta  
Director

22 April 2013



**Independent Auditors' Report to the Members of  
VIRSTRA I-TECHNOLOGY (SINGAPORE) PTE. LTD. (Registration No: 200416243C)**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Virstra I-Technology (Singapore) Pte. Ltd., which comprise the statement of financial position as at 31 March 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of profit or loss and other comprehensive income and statement of financial position and to maintain accountability of assets.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Independent Auditors' Report to the Members of  
VIRSTRA I-TECHNOLOGY (SINGAPORE) PTE. LTD. (Registration No: 200416243C)**

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**Opinion**

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and the results, changes in equity and cash flows of the company for the reporting year ended on that date.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

*RSM Chio Lim LLP*

RSM Chio Lim LLP  
Public Accountants and  
Certified Public Accountants  
Singapore

22 April 2013

Partner in charge of audit: Derek How Beng Tiong  
Effective from reporting year ended 31 March 2011

Statement of Profit or Loss and Other Comprehensive Income  
Year Ended 31 March 2013

	<u>Notes</u>	<u>2013</u> \$	<u>2012</u> \$
<b><u>Other Items of Income</u></b>			
Other Credits	4	597,214	–
<b><u>Other Items of Expense</u></b>			
Administrative Expenses		(9,224)	(6,375)
<b>Profit/(Loss) Before Tax from Continuing Operations</b>		<u>587,990</u>	<u>(6,375)</u>
Income Tax Expense/(Income)	5	–	–
<b>Profit/(Loss) from Continuing Operations, Net of Tax</b>		<u>587,990</u>	<u>(6,375)</u>
<b>Other Comprehensive Loss for the Year, Net of Tax</b>		–	–
<b>Total Comprehensive Income/(Loss)</b>		<u><u>587,990</u></u>	<u><u>(6,375)</u></u>

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position  
As at 31 March 2013

	<u>Notes</u>	<u>2013</u> \$	<u>2012</u> \$
<b>ASSETS</b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	6	4,873	13,597
<b>Total Current Assets</b>		<u>4,873</u>	<u>13,597</u>
<b>Total Assets</b>		<u>4,873</u>	<u>13,597</u>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Equity</u></b>			
Share Capital	7	200,000	200,000
Accumulated Losses		<u>(200,807)</u>	<u>(788,797)</u>
<b>Total Equity</b>	10	<u>(807)</u>	<u>(588,797)</u>
<b><u>Current Liabilities</u></b>			
Trade and Other Payables	8	5,680	602,394
<b>Total Current Liabilities</b>		<u>5,680</u>	<u>602,394</u>
<b>Total Liabilities</b>		<u>5,680</u>	<u>602,394</u>
<b>Total Equity and Liabilities</b>		<u>4,873</u>	<u>13,597</u>

The accompanying notes form an integral part of these financial statements.

**Statement of Changes in Equity**  
**Year Ended 31 March 2013**

	<u>Total Equity</u> \$	<u>Share Capital</u> \$	<u>Accumulated Losses</u> \$
<b>Current Year:</b>			
Opening Balance at 1 April 2012	(588,797)	200,000	(788,797)
<b>Movements in Equity:</b>			
Total Comprehensive Income for the Year	<u>587,990</u>	<u>–</u>	<u>587,990</u>
<b>Closing Balance at 31 March 2013</b>	<u>(807)</u>	<u>200,000</u>	<u>(200,807)</u>
<b>Previous Year:</b>			
Opening Balance at 1 April 2011	(582,422)	200,000	(782,422)
<b>Movements in Equity:</b>			
Total Comprehensive Loss for the Year	<u>(6,375)</u>	<u>–</u>	<u>(6,375)</u>
<b>Closing Balance at 31 March 2012</b>	<u>(588,797)</u>	<u>200,000</u>	<u>(788,797)</u>

The accompanying notes form an integral part of these financial statements.

**Statement of Cash Flows**  
**Year Ended 31 March 2013**

	<u>2013</u>	<u>2012</u>
	\$	\$
<b><u>Cash Flows From Operating Activities</u></b>		
Profit/(Loss) before Tax	587,990	(6,375)
Adjustment for:		
Waiver Payables to Related Company	(597,214)	-
Operating Cash Flows before Changes in Working Capital	<u>(9,224)</u>	<u>(6,375)</u>
Trade and Other Payables	500	180
Net Cash Flows Used in Operating Activities	<u>(8,724)</u>	<u>(6,195)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	(8,724)	(6,195)
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	<u>13,597</u>	<u>19,792</u>
<b>Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 6A)</b>	<u>4,873</u>	<u>13,597</u>

The accompanying notes form an integral part of these financial statements.

**Notes to the Financial Statements**  
**31 March 2013**

**1. General**

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on the date of statement by directors.

The principal activity of the company are those relating to developing, producing and dealing in software systems and providing support and technical advisory and consultancy services. The company has remained dormant during the year.

The registered office is: 300 Tampines Avenue 5, #04-06 NTUC Income Tampines Junction, Singapore 529653. The company is situated in Singapore.

**2. Summary of Significant Accounting Policies**

**Accounting Convention**

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

**Basis of Preparation of the Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

## **2. Summary of Significant Accounting Policies (Cont'd)**

### **Income Tax**

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

### **Foreign Currency Transactions**

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

### **Financial Assets**

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

## **2. Summary of Significant Accounting Policies (Cont'd)**

### **Financial Assets (Cont'd)**

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
4. Available for sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

### **Cash and Cash Equivalents**

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

## **2. Summary of Significant Accounting Policies (Cont'd)**

### **Financial Liabilities**

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. **Liabilities at fair value through profit or loss:** Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount determined in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. **Other financial liabilities:** All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

### **Fair Value of Financial Instruments**

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes. The fair value of a financial instrument is derived from an active market or by using an acceptable valuation technique. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

## **2. Summary of Significant Accounting Policies (Cont'd)**

### **Fair Value of Financial Instruments (Cont'd)**

The fair value measurements are classified using a fair value hierarchy of 3 levels that reflects the significance of the inputs used in making the measurements, that is, Level 1 for the use of quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 for the use of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 for the use of inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Where observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year.

### **Equity**

Equity instruments are contracts that give a residual interest in the net assets of the company. Ordinary shares are classified as equity. Equity instruments are recognised at the amount of proceeds received net of incremental costs directly attributable to the transaction. Dividends on equity are recognised as liabilities when they are declared. Interim dividends are recognised when declared by the directors.

### **Provisions**

A liability or provision is recognised when there is 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 a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

### **Critical Judgements, Assumptions and Estimation Uncertainties**

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

**3. Related Party Relationships and Transactions**

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**3.1 Related companies:**

The company is a subsidiary of Virstra I-Technology Services Limited, incorporated in India. The company's ultimate parent company is Nucleus Software Exports Ltd, incorporated in India. Related companies in these financial statements include the members of the ultimate parent company's group of companies. Associates also include those that are associates of the parent and/or related companies.

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise.

**3.2 Key management compensation:**

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The directors did not receive any remuneration. The amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

**3.3 Other receivables from and other payables to related parties:**

The movements in other receivables from and other payables to related parties are as follows:

	<u>Related company</u>	
	<u>2013</u>	<u>2012</u>
	\$	\$
<u>Other payables:</u>		
Balance at beginning of the year	(597,214)	(597,214)
Amounts waived by the related company	597,214	-
Balance at end of the year – net credit	<u>-</u>	<u>(597,214)</u>

**4. Other Credits**

	<u>2013</u> \$	<u>2012</u> \$
Waiver of payables to related company	<u>597,214</u>	<u>—</u>

**5. Income Tax**

**5A. Components of Tax Expense/ (Income) Recognised in Profit or Loss Includes:**

	<u>2013</u> \$	<u>2012</u> \$
Current tax expense	<u>—</u>	<u>—</u>

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2012: 17%) to profit or loss before income tax as a result of the following differences:

	<u>2013</u> \$	<u>2012</u> \$
Profit/(Loss) Before Tax	<u>587,990</u>	<u>(6,375)</u>
Income tax expense/(income) at the above rate	99,958	(1,084)
Not liable to tax	(101,526)	—
Tax loss forfeited	<u>1,568</u>	<u>1,084</u>
Total income tax expense/(income)	<u>—</u>	<u>—</u>

**6. Cash and Cash Equivalents**

	<u>2013</u> \$	<u>2012</u> \$
Not restricted in use	<u>4,873</u>	<u>13,597</u>
Cash at end of the year	<u>4,873</u>	<u>13,597</u>

The interest earning balance are not significant.

**6A. Cash and Cash Equivalents in the Statement of Cash Flows:**

	<u>2013</u> \$	<u>2012</u> \$
Amount as shown above	<u>4,873</u>	<u>13,597</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>4,873</u>	<u>13,597</u>

7. Share Capital

	Number of shares <u>issued</u>	Share capital \$
Ordinary shares of no par value:		
Balance as at beginning of year 1 April 2011	<u>200,000</u>	<u>200,000</u>
Balance at end of the year 31 March 2012	<u>200,000</u>	<u>200,000</u>
Balance at end of the year 31 March 2013	<u>200,000</u>	<u>200,000</u>

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The company is not subject to any externally imposed capital requirements.

**Capital Management:**

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The company has insignificant external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

8. Trade and Other Payables

	<u>2013</u> \$	<u>2012</u> \$
<u>Trade Payables:</u>		
Accrued liabilities	<u>5,680</u>	<u>5,180</u>
Subtotal	<u>5,680</u>	<u>5,180</u>
<u>Other Payables:</u>		
Related company (Note 3)	<u>–</u>	<u>597,214</u>
Subtotal	<u>–</u>	<u>597,214</u>
Total trade and other payables	<u>5,680</u>	<u>602,394</u>

**9. Financial Instruments: Information on Financial Risks**

**9A. Classification of Financial Assets and Liabilities**

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	<u>2013</u>	<u>2012</u>
	\$	\$
<u>Financial assets:</u>		
Cash and bank balances	4,873	13,597
At end of the year	<u>4,873</u>	<u>13,597</u>
<u>Financial liabilities:</u>		
Trade and other payables	5,680	602,394
At end of the year	<u>5,680</u>	<u>602,394</u>

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

**9B. Financial Risk Management**

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There is exposure to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. However these are not formally documented in written form. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

There has been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

**9C. Fair Value of Financial Instruments Stated at Amortised Cost in the Statement of Financial Position**

The financial assets and financial liabilities at amortised cost are at a carrying amount that is a reasonable approximation of fair value.

**9D. Credit Risk on Financial Assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks and cash equivalents. The maximum exposure to credit risk is: the total of the fair value of the financial instruments; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counter-parties are entities with acceptable credit ratings.

Note 6 discloses the maturity of the cash and cash equivalents balances.

**9. Financial Instruments: Information on Financial Risks (Cont'd)**

**9E. Liquidity Risk**

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than <u>1 year</u> \$
Non-derivative financial liabilities:	
<u>2013:</u>	
Trade and other payables	<u>5,680</u>
At end of the year	<u>5,680</u>
 <u>2012:</u>	
Trade and other payables	<u>602,394</u>
At end of the year	<u>602,394</u>

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

**9F. Interest Rate Risk**

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant.

**9G. Foreign Currency Risks**

The financial assets and liabilities of the company are denominated in Singapore dollars. The company has no exposure to foreign currency risk.

**10. Going Concern**

As at end of year, the company's total liabilities exceeded its total assets by \$807. The financial statements have been prepared on a going concern basis on the assumption that the parent company will continue to provide the required financial support to the company to discharge its debts as and when they fall due.

## 11. Changes and Adoption of Financial Reporting Standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 1	Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income
FRS 12	Deferred Tax (Amendments to ) – Recovery of Underlying Assets (*)
FRS 107	Financial Instruments: Disclosures (Amendments to) - Transfers of Financial Assets (*)

(\*) Not relevant to the entity.

Amended FRS 1 was adopted. These amendments improve the presentation of the components of other comprehensive income; mainly the reporting entity is required to group items presented in other comprehensive income based on whether or not they will be reclassified to profit or loss subsequently (reclassification adjustments). It is effective for annual periods beginning on or after 1 July 2012.

## 12. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)	1 Jan 2013
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)	1 Jan 2013
FRS 19	Employee Benefits (Revised)	1 Jan 2013
FRS 27	Consolidated and Separate Financial Statements (Amendments to) (*)	1 Jul 2012
FRS 27	Separate Financial Statements (Revised) (*)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 32	Amendment to FRS 32 Financial instruments: Presentation (Annual Improvements)	1 Jan 2013
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities (*)	1 Jan 2013
FRS 110	Consolidated Financial Statements (*)	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities (*)	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112 (*)	1 Jan 2014
FRS 113	Fair Value Measurements	1 Jan 2013
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)	1 Jan 2013

(\*) Not relevant to the entity.

