ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

ACCOUNTS & REPORTS

for the financial year ended

31 MARCH 2014

CONTENTS

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2014

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1 Directors

The directors of the Company in office at the date of this report are as follows:

Prayasvin Bhanubhai Patel
Taruna Prayasvin Patel
Shah Vipulkumar Bhagvandas

2 Arrangements to enable Directors to acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, 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 financial year had no interests in the share capital and debentures of the Company as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of directors as at	
Name of director	01/04/2013	31/03/2014
	Ordinary shares	
Prayasvin Bhanubhai Patel	10	10

4 Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made under 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 except as disclosed in the accompanying financial statements and in this report.

5 Share Options

During the financial year, no option to take up unissued shares of the Company was granted and no shares were issued by virtue of the exercise of options to take up the unissued shares of the Company. There were no unissued shares of the Company under option at the end of the financial year.

6 Independent Auditor

The independent auditor, Smalley & Sims PAC, has expressed its willingness to accept re-appointment.

On behalf of the directors

Prayasvin Bhanubhai Patel

Shah Vipulkumar Bhagvandas

Singapore, 19 May 2014

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

STATEMENT BY DIRECTORS

In the opinion of the directors,

a) the financial statements of the Company are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014 and of the results of the business, changes in equity and cash flows of the Company for the financial 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.

On behalf of the directors

Prayasvin Bhanubhai Patel

Shah Vipulkumar Bhagvandas

Singapore, 19 May 2014

史 Smalley & Sims PAC
其 CHARTERED ACCOUNTANTS (SINGAPORE)
Company Reg. No. 201203975N
里 Incorporated with Limited Liability
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELECON SINGAPORE PTE LTD

Report on the Financial Statements

We have audited the accompanying financial statements of ELECON SINGAPORE PTE LTD (the "Company"), which comprise the balance sheet as at 31 March 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial 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 (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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's 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 about 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 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 auditor considers internal controls 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 controls. 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 qualified audit opinion.

GST Reg. No. 201203975N
1 Coleman Street, #06-10 The Adelphi, Singapore 179803 Tel: (65) 6336 3288 Fax: (65) 6336 3078
In association with: Wee Seng Tiong Corporate Services Pte Ltd

Basis for Qualified Opinion

FRS No. 21 – The Effects of Changes in Foreign Exchange Rates requires an entity to determine its functional currency and measure its results and financial position in that currency. The functional currency is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. As disclosed in Note 2.15 (a) to the financial statements, management determined that the functional currency of the Company is United States dollar. However, the accompanying financial statements have been prepared on the basis that Singapore dollar is the functional currency, which is not in accordance with FRS No. 21. Management is unable to determine the effects of adjustments and/or the extent of disclosure, if any, that were required to be made to the financial statements.

Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualification Opinion paragraph, the 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 2014, and the results, changes in equity and cash flows of the Company for the financial 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.

Smalley & Sims PAC

Smalley & Sims PAC
Public Accountants and
Chartered Accountants

Singapore, 19 May 2014
FL/LAI/LL

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	2014 S$	2013 S$
ASSETS			
Current assets			
Inventories	6	4,755	28,288
Trade receivables	7	353,596	703,096
Other receivables, deposits and prepayments	8	190,900	6,818
Cash and cash equivalents	9	798,964	405,680
		1,348,215	1,143,882
Non-current assets			
Plant and equipment	10	17,480	14,642
Deferred tax assets	11	27,700	49,600
		45,180	64,242
Total assets		1,393,395	1,208,124
LIABILITIES			
Current liabilities			
Trade payables	12	279,194	309,435
Other payables and accruals	13	330,578	218,768
Total liabilities		609,772	528,203
NET ASSETS		783,623	679,921
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	14	897,854	897,854
Accumulated losses		(114,231)	(217,933)
TOTAL EQUITY		783,623	679,921

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

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 S$	2013 S$
Revenue	15	1,437,798	1,395,119
Cost of sales		(739,841)	(551,225)
Gross profit		697,957	843,894
Other income	16	91	16,395
Selling and distribution expenses		(26,097)	(24,099)
Administrative expenses		(539,476)	(487,774)
Finance expenses	19	(6,873)	(9,257)
PROFIT BEFORE TAX		125,602	339,159
Income tax (expense)/credit	20	(21,900)	49,600
NET PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		103,702	388,759

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

ELECON SINGAPORE PTE LTD
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(Incorporated in Singapore)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Share capital S$	Accumulated losses S$	Total S$
Balance at 1 April 2012		897,854	(606,692)	291,162
Total comprehensive income for the year		-	388,759	388,759
Balance at 31 March 2013	13	897,854	(217,933)	679,921
Total comprehensive income for the year		-	103,702	103,702
Balance at 31 March 2014		897,854	(114,231)	783,623

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

ELECON SINGAPORE PTE LTD
(REGISTRATION NO. 200006402R)
(Incorporated in Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	2014 S$	2013 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		125,602	339,159
Adjustments for:			
Interest income	16	(91)	-
Depreciation of plant and equipment	17	4,511	5,045
Interest expenses	19	6,873	9,257
Gain in exchange		-	(4,948)
Operating cash flows before working capital changes		136,895	348,513
Changes in operating assets and liabilities:			
Inventories		23,533	(28,288)
Trade receivables		349,500	(342,936)
Other receivables and deposits		(184,082)	(458)
Trade payables		(30,241)	251,103
Other payables and accruals		168,937	(81,577)
Net cash generated from operating activities		464,542	146,357
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	10	(7,349)	-
Net cash used in investing activities		(7,349)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Placement of fixed deposit		(114,170)	-
Interest received		91	-
Repayment of loan		(64,000)	-
Net cash used in financing activities		(178,079)	-
Net increase in cash and cash equivalents		279,114	146,357
Cash and cash equivalents at beginning of financial year		405,680	259,323
Cash and cash equivalents at end of financial year	9	684,794	405,680

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

NOTES TO FINANCIAL STATEMENTS

1 General

The financial statements of the Company for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on the date of the Statement By Directors.

The Company is registered and domiciled in the Republic of Singapore. The registered office and principal place of business of the Company is located at 10 Anson Road #24-03, International Plaza, Singapore 079903.

The principal activities of the Company are those of consulting engineers and commission agents and dealers in plant and machinery, reduction gears, geared motors and spares.

2 Significant Accounting Policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related interpretations and the provisions of the Singapore Companies Act. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2013

On 1 April 2013, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are relevant to its operations from that date.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Plant and Equipment

a) Measurement

(i) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Furniture and fittings	5 years
Computers	5 years
Office equipment	5 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in profit or loss when the changes arise.

Fully depreciated plant and equipment are retained in the accounts until they are no longer in use.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.3 Impairment of Non-Financial Assets
-Plant and equipment

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and 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. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.4 Financial Instruments

Financial assets

The Company initially recognises financial assets on the trade date – the date on which the Company commits to purchase or sell the asset and at fair value plus attributable transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

An assessment for impairment is undertaken at least at each balance sheet date whether or not there is objective evidence that a financial asset or group of financial assets is impaired.

Financial liabilities

The Company initially recognises financial liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

2.5 *Inventories*

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the specific identification method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.6 *Trade and Other Receivables*

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

2.7 *Cash and Cash Equivalents*

Cash and cash equivalents comprise cash on hand and at banks that are readily convertible to known amount of cash and are subject to an insignificant risk of change in value.

2.8 *Trade and Other Payables*

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

2.9 Fair Value Estimation of Financial Assets and Liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.10 Operating Leases

The Company leases its office premises from non-related parties.

Leases of office premises where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease term.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.11 Revenue Recognition

Revenue comprise the fair value of the consideration received or receivables for the sale of goods and rendering of services in the ordinary course of the Company's activities. Revenue are presented, net of goods and service tax, rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measures, it is probable that future economic benefits will flow to the Company and when the specific criteria for each of the Company's activities are met as follows:

Sale of goods – revenue from sales of goods is recognised when the Company has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

Sales commissions and service income – revenue is recognised in the period in which the services are rendered.

Interest income – interest income is recognised on a time-proportion basis using the effective interest method.

2.12 Dividends

Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

2.13 Income Taxes

Current income tax for current and prior periods is recognised at the amounts expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised on temporary differences, except where the company is above to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss for the year.

2.14 Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an expense.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

(b) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. Directors are considered key management personnel.

2.15 Currency Translation

a) *Functional and presentation currency*

Functional currency is the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. Management determined that the functional currency of the Company is United States dollar. However, the accompanying financial statements have been prepared on the basis that Singapore dollar is the functional currency, which is not in accordance with FRS No. 21 – The Effects of Changes in Foreign Exchange Rates. Management is unable to determine the effects of adjustments and/or the extent of disclosure, if any, that were required to be made to the financial statements.

The financial statements of the Company are presented in Singapore dollars.

(b) *Transactions and balances*

Monetary assets and liabilities in foreign currencies are translated into Singapore dollars at rates of exchange closely approximating those ruling at balance sheet date. Transactions in foreign currencies are converted at rates closely approximating those ruling at the transaction dates. Exchange differences arising on the retranslation or settlement of monetary items are recognised in profit or loss in the period in which they arise.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2.16 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.17 Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future periods if the revision affects both current and future years.

Critical judgements in applying the entity's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Company does not have any key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 Holding Company and Related Companies Transactions

In prior year, Elecon Engineering Co Ltd which incorporated in India was a corporate shareholder of the Company. During the financial year, Elecon Engineering Co Ltd has become the Company's immediate and ultimate holding company after the corporate exercise. Related companies in these financial statements refer to members of Elecon Engineering Co Ltd's Group of companies.

Some of the Company's transactions and arrangements and terms thereof are arranged by or between members of the group and the effect of these on the basis determined between the parties are reflected in the financial statements. The intercompany balances are unsecured, interest free and repayable on demand unless stated otherwise.

Significant intercompany transactions:

	2014 $	2013 $
Holding company		
Sales commission income	289,371	-
Purchases	306,206	-
Interest charged	6,873	-
Related companies		
Sales commission income	78,482	-
Purchases	378,744	-

5 Related Party Transactions

Related parties are entities with common direct or indirect shareholders and/or directors. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant inter-company transactions:

	2014 S$	2013 S$
Sales commission income from a corporate shareholder	-	562,444
Sales commission income from a related party	-	16,868
Purchases from a corporate shareholder	-	427,007
Purchases from related parties	-	133,673
Interest expenses to corporate shareholder	-	9,257

6 Inventories

	2014 S$	2013 S$
Stock on hand	4,755	-
Goods in transit	-	28,288
	4,755	28,288

The cost of inventories recognised as expenses and included in "cost of sales" amounts to S$731,894 (2013: S$537,947).

7 Trade Receivables

	2014 S$	2013 S$
Corporate shareholder	-	562,444
Holding company	85,167	-
Related company (Note 4)	87,365	-
Related party (Note 5)	-	8,956
Third parties	181,064	131,696
	353,596	703,096

The trade receivables are non-interest bearing and are generally on 30 to 60 days' term. They are recognised on their original invoice amounts which represents their fair values on initial recognition.

The age analysis of trade receivables before allowance for impairment is as follows:

	2014	2013
	S$	S$
Not past due or less than 30 days	175,940	260,073
Past due by:		
- 30 to 90 days	33,574	200,974
- 91 to 150 days	11,688	105,012
- more than 150 days	132,394	137,037
	353,596	703,096

Based on historical collections experience, the Company believes that no allowance for impairment is necessary in respect of certain trade receivables which are not past due as well as certain trade receivables which are past due but not impaired.

Trade receivables are denominated in the following currencies:

	2014	2013
	S$	S$
Singapore dollar	11,688	108,167
United States dollar	177,498	566,103
Euro	164,410	28,827
	353,596	703,096

8 Other Receivables, Deposits and Prepayments

	2014	2013
	S$	S$
Rental deposits	6,100	6,100
Advances billing	184,800	-
Expenses recoverable	-	718
	190,900	6,818

Other receivables are denominated in the following currencies:

	2014	2013
	S$	S$
Singapore dollar	6,100	6,818
Euro	184,800	-
	190,900	6,818

9 Cash and Cash Equivalents

	2014	2013
	S$	S$
Cash and bank balances	684,794	405,680
Fixed deposit	114,170	-
	798,964	405,680
Fixed deposit – maturity more than 3 months	(114,170)	-
Cash and cash equivalent as per statement of Cash Flow	684,794	405,680

The cash and cash equivalents is denominated in Singapore dollar.

Fixed deposit at the balance sheet date has a maturity of 9 months from the financial year end. The deposit earns interest at a weighted average effective interest rate of 0.2% per annum.

10 Plant and Equipment

As at 31 March 2014

	Office equipment S$	Furniture and fittings S$	Computers S$	Vehicle S$	Total S$
Cost					
At 1 April 2013	4,343	24,702	30,417	17,204	76,666
Additions	1,516	-	5,833	-	7,349
At 31 March 2014	5,859	24,702	36,250	17,204	84,015
Accumulated depreciation					
At 1 April 2013	3,801	24,702	28,646	4,875	62,024
Charge for the year	340	-	730	3,441	4,511
At 31 March 2014	4,141	24,702	29,376	8,316	66,535
Net book value at 31 March 2014	1,718	-	6,874	8,888	17,480

As at 31 March 2014

	Office equipment S$	Furniture and fittings S$	Computers S$	Vehicle S$	Total S$
Cost					
At 1 April 2012 and 31 March 2013	4,343	24,702	30,417	17,204	76,666
Accumulated depreciation					
At 1 April 2012	3,463	24,702	27,380	1,434	56,979
Charge for the year	338	-	1,266	3,441	5,045
At 31 March 2013	3,801	24,702	28,646	4,875	62,024
Net book value at 31 March 2013	542	-	1,771	12,329	14,642

The motor vehicle is held in trust for the Company in the name of one of its employees.

11 Deferred Tax Assets

	2014 S$	2013 S$
Beginning of financial year	49,600	-
Recognised in profit or loss	(21,900)	49,600
End of financial year	27,700	49,600

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.

12 Trade Payables

	2014 S$	2013 S$
Corporate shareholder	-	283,902
Holding company	184,800	-
Related company (Note 4)	91,697	-
Related parties (Note 5)	-	24,153
GST payables	2,697	1,380
	279,194	309,435

The trade payables principally comprise amount outstanding for trade purchases. They are non-interest bearing and normally settled on 30 to 90 days term. The Company has financial risk management policies in place to ensure that all payables are within the credit timeframe.

Trade payables are denominated in the following currencies:

	2014 S$	2013 S$
Singapore dollar	2,697	813
Euro	206,895	106,544
Thai Baht	5,127	-
British Pound	3,338	-
United States dollar	60,891	177,358
Swedish Krona	247	23,340
	279,194	309,435

13 Other Payables and Accruals

	2014 S$	2013 S$
Corporate shareholder - loans (interest bearing)	-	154,289
- interest payable	-	59,436
Holding company - loans (interest bearing)	90,289	-
- interest payable	66,309	-
Accrued expenses	3,736	5,043
Advances from customers	170,244	-
	330,578	218,768

The loans from holding company and corporate shareholder are unsecured and are repayable on demand. The loan bears interest at 6% (2013: 6%) per annum.

Other payables and accruals are denominated in the following currencies:

	2014	2013
	S$	S$
Singapore dollar	25,439	4,700
United States dollar	305,139	214,068
	330,578	218,768

14 Share Capital

	2014	2013
	S$	S$
Issued and fully paid, with no par value		
897,854 (2013: 897,854) ordinary shares		
At beginning and end of financial year	897,854	897,854

15 Revenue

	2014	2013
	S$	S$
Sale of goods	1,069,945	815,807
Sales commissions and service income	367,853	579,312
	1,437,798	1,395,119

16 Other Income

	2014	2013
	S$	S$
Government grant – SME Cash Grant	-	5,000
Non-trade balance written off	-	11,186
Sundry expense written back	-	209
Interest income	91	-
	91	16,395

The SME cash grant was announced in the Singapore Budget 2012 to help companies to offset the high cost of doing business.

17 Expenses by Nature

	2014	2013
	S$	S$
Purchase of inventories	708,361	566,235
Changes in inventories	23,533	(28,288)
Service charges and commission	7,947	13,278
Auditor's remuneration	3,400	3,400
Depreciation of plant and equipment (Note 10)	4,511	5,045
Employee compensation (Note 18)	326,508	301,803
Exchange loss	26,161	19,321
Office upkeep	4,343	3,342
Rental expense	36,600	34,100
Sales promotion expenses	22,745	21,564
Telephone	20,151	18,465
Transport and travelling	98,875	85,683
Others	22,279	19,150
Total cost of sales, selling and distribution and administrative expenses	1,305,414	1,063,098

18 Employee Compensation

	2014	2013
	S$	S$
Salaries and other short term benefits	316,908	292,203
Employer's contribution to defined contribution plans including Central Provident Fund	9,600	9,600
	326,508	301,803

Key management of the Company comprise of executive directors whose remuneration are included in the employee compensation above:

	2014	2013
Salaries and other short term benefits	124,014	111,714
Employee's contribution to defined contribution plans including Central Provident Fund	9,600	9,600
	133,614	121,314

19 Finance Expense

	2014	2013
	S$	S$
Interest on loan from corporate shareholder (Note 4)	-	9,257
Interest on loan from holding company (Note 4)	6,873	-
	6,873	9,257

20 Income Tax Expense

Income tax expense attributable to profit is made up of:

	2014	2013
	S$	S$
Deferred income tax (Note 11)	21,900	(49,600)

The taxation for the year varies from the amount of income tax expense determined by applying the Singapore standard rate of income tax to profit before tax due to the following factors:

	2014	2013
	S$	S$
Profit before tax	125,602	339,159
Tax calculated at statutory rate of 17% (2013: 17%)	21,352	57,657
Expenses not deductible for tax purposes	548	1,230
Income not subject to tax	-	(2,750)
Deferred tax assets previously not recognised now recognised	-	(49,600)
Utilisation of previously unrecognised tax losses	-	(56,137)
Tax charge	21,900	(49,600)

As at the end of the financial year, the Company has tax loss carryforwards amounting to S$188,777 (2013: S$291,585). The realisation of the future income tax benefits from the above is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

21 Operating Lease Commitments

The Company leases office premises from a non-related party under a non-cancellable operating lease agreement. The lease has varying terms and renewal rights.

The future minimum lease payments under non-cancellable operating lease contracted for at the balance sheet date but not recognised as liabilities, is as follows:

	2014	2013
	S$	S$
Not later than one year	15,250	36,600
Between one and five years	-	15,250
	15,250	51,850
Rental expenses paid during the financial year	36,600	34,100

The lease of the Company's office premises on which rental is payable will expire on 31 August 2014, and the current rate payable on the lease is S$3,050 per month.

22 Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks. Financial risk management is carried out in accordance with the Company's established policies and guidelines.

i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company trades with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis.

The carrying amount of trade receivables, other receivables and deposits, and cash and cash equivalents, represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The Company has a concentration of credit risk to certain related parties and corporate shareholders and the management manages this risk through ongoing monitoring of outstanding balances and ensures that payments are received within the credit period granted.

As at the balance sheet date, the trade receivables of the Company comprise three debtors (2013: three debtors) represented 83% (2013: 95%) of total trade receivables.

Cash is placed with creditworthy financial institutions.

ii) Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates in Asia and is exposed to various currencies primarily in United States dollars ("USD") and Euro. Currency risk arises when future commercial transactions, recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company manages its foreign exchange risk by closely monitoring the timing of the inception and settlement of the foreign currency transactions.

The Company's currency exposure based on information provided to key management is as follows:

As at 31 March 2014

	Euro S$	USD S$	Total S$
Financial assets			
Trade receivables	164,410	177,498	341,908
Financial liabilities			
Trade payables	206,895	60,891	267,786
Other payables and accruals	-	305,134	305,134
	206,895	366,025	572,920
Net currency exposure	(42,485)	(188,532)	(231,012)

As at 31 March 2013

	Euro S$	USD S$	Total S$
Financial assets			
Trade receivables	113,464	566,103	679,567
Financial liabilities			
Trade payables	106,544	177,358	283,902
Other payables and accruals	-	214,068	214,068
	106,544	391,426	497,970
Net currency exposure	6,920	174,677	181,597

The following analyses detail the sensitivity to a 5% increase and decrease in the Singapore dollar against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

As at 31 March 2014, if the USD strengthened/weakened by 5% (2013: 5%) against the SGD with all other variables including tax rate being held constant, the Company's profit/loss after tax/equity will be approximately $7,824 lower/higher (2013: $7,249 higher/lower) as a result of currency translation gains/losses on the USD denominated financial instruments.

As at 31 March 2014, if the Euro strengthened/weakened by 5% (2013: 5%) against the SGD with all other variables including tax rate being held constant, the Company's profit/loss after tax/equity will be approximately $1,763 lower/ higher (2013: $287 higher/lower) as a result of currency translation gains/losses on the Euro denominated financial instruments.

iii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The Company's exposure to changes in market interest rates relates primarily to borrowings. The Company monitors the interest rates on borrowings closely to ensure that borrowings are maintained at favourable rates.

As at balance sheet date, the Company has no significant interest rate risks as the borrowings from its holding company is carrying at fixed rate.

iv) Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company's current liabilities as at the balance sheet date represent the contractual undiscounted cash outflows. These balances are due within 12 months and equal their carrying balances as the impact of discounting is not significant.

23 Fair Values of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties at arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of the assets and liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements:

Classification of financial instruments

	Loans and receivables S$	Liabilities at amortised cost S$	Total carrying amount S$	Fair value S$
2014				
Assets				
Trade receivables	353,596	-	353,596	353,596
Other receivables, deposit and prepayments	6,100	-	6,100	6,100
Cash and cash equivalents	798,964	-	798,964	798,964
	1,343,460	-	1,343,460	1,343,460
Liabilities				
Trade payables	-	276,497	276,497	276,497
Other payables and accruals	-	160,334	160,334	160,334
	-	436,831	436,831	436,831

	Loans and receivables S$	Liabilities at amortised cost S$	Total carrying amount S$	Fair value S$
2013				
Assets				
Trade receivables	703,096	-	703,096	703,096
Other receivables, deposit and prepayments	6,188	-	6,188	6,188
Cash and cash equivalents	405,680	-	405,680	405,680
	1,115,594	-	1,115,594	1,115,594
Liabilities				
Trade payables	-	308,055	308,055	308,055
Other payables and accruals	-	218,768	218,768	218,768
	-	526,823	526,823	526,823

24 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 maximize shareholder value.

The directors regularly review the Company's capital structure and make adjustments to reflect economic conditions, business strategies and future commitments.

There were no changes in the Company's approach to capital management during the financial year.

The Company is not subject to any externally imposed capital requirements.

The gearing ratio is computed as total debt divided by total capital. Total debt is calculated as trade payables plus other payables and accruals. Total capital is calculated as total debt plus total equity.

The gearing ratio of the Company for the financial years ended were as follows:

	2014	2013
	S$	S$
Total debt	609,772	528,203
Total equity	783,623	679,921
Total capital	1,393,395	1,208,124
Gearing ratio	44%	44%

25 New or Revised Accounting Standards and Interpretations

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

Reference	**Description**	**Effective date (annual periods beginning on or after)**
Revised to FRS 27	Separate Financial Statements	1 January 2014
Revised to FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting of Financial Assets and Financial Liabilities	1 January 2014

The directors do not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Company in the period of their initial adoption.