Life Corporation Ltd

ABN 48 108 051 529

Annual Report

For the year ended 30 June 2015

Life Corporation Ltd

Corporate Information

ABN 48 108 051 529

Directors

Mr Samuel Kong	(Chairman, Non-executive) (appointed as Chairman on 23 January 2015)
Mr Simon Hoo	(Chief Executive Officer and Chief Financial Officer)
Mr Kenneth Lim	(Executive)
Mr Victor Hoo	(Executive)
Mr Kam Yuen	(Non-executive) (resigned as Chairman on 23 January 2015)
Mr Mark Ryan	(Non-executive)
Mr Voiron Chor	(Non-executive)

Company secretary and solicitors

Mr Andrew Lord
Lord Commercial Lawyers
Level 10, 167 Queen Street
Melbourne, Victoria 3000
Australia
Tel: +613 9600 0162

Registered Office

Level 10, 167 Queen Street
Melbourne, Victoria 3000
Australia
Tel: +613 9600 0162

Principal Place of Business

988 Toa Payoh North, #07-05
Singapore 319002
Tel: +65 6295 0080

Share Registry

Link Market Services Ltd
Level 4, 333 Collins Street
Melbourne, Victoria 3000
Australia
Tel: +613 9615 9932

Bankers

Commonwealth Bank of Australia

Auditors

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843
Tel: +618 9429 2222

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Life Corporation Ltd

Corporate Governance Statement

The directors of Life Corporation Ltd ("Life Corporation" or the "Company") are responsible for establishing the corporate governance framework of the Company having regard to the ASX Corporate Governance Council (CGC) published guidelines and its Corporate Governance Principles and Recommendations. The directors guide and monitor the business and affairs of Life Corporation on behalf of the shareholders by whom they are elected and to whom they are accountable.

Life Corporation complies with the CGC's Principles as follows.

Principle 1 - Lay solid foundations for management and oversight

	Recommendation	Comply Yes / No	Reference / explanation
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management	Yes	Page 6
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director	Yes	
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with proper functioning of the board.	Yes	
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it: and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: > the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purpose); or > if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	Yes	Page 13 and website

Principle 1 - Lay solid foundations for management and oversight (cont'd)

	Recommendation	Comply Yes / No	Reference / explanation
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committee and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process	Yes	Page 8 and website
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Website

Principle 2 - Structure the Board to add value

	Recommendation	Comply Yes / No	Reference / explanation
2.1	The board of a listed entity should: (a) have a nomination committee which: > has at least three members, a majority of whom are independent directors; and > is chaired by an independent director, and disclose: > the charter of the committee: > the members of the committee; and > as at the end of each reporting period, the number of times the committee met through the period and the individual attendances of the members to those meetings; or (b) if it does not have a nomination committee, disclose the fact and processes it employs to address board succession issue and to ensure that the board has the experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes	Page 9 & 13 and website
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Directors Report

Principle 2 - Structure the Board to add value (cont'd)

	Recommendation	Comply Yes / No	Reference / explanation
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors: (b) if a director has an interest, position, association or relationship of the type described but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	Page 8
2.4	A majority of the board of a listed entity should be independent directors.	Yes	Page 8
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Page 8
2.6	A listed entity should have a program for inducting new directors and to provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Website

Principle 3 - Promote ethical and responsible decision-making

	Recommendation	Comply Yes / No	Reference / explanation
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes	Website

Principle 4 - Safeguard integrity in corporate reporting

	Recommendation	Comply Yes / No	Reference / explanation
4.1	The board of a listed entity should: (a) have an audit committee which: > has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and > is chaired by and independent director, who is not the chair of the board, and disclose: > the charter of the committee:	Yes	Page 10 and website

Principle 4 - Safeguard integrity in corporate reporting (cont'd)

	Recommendation	Comply Yes / No	Reference / explanation
	> the relevant qualifications and experience of the members of the committee; and > in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receives from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management, and internal control which is operating effectively.	Yes	Page 11
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions form security holders relevant to the audit	Yes	Page 12 & 13

Principle 5 - Make timely and balanced disclosure

	Recommendation	Comply Yes / No	Reference / explanation
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	Website

Principle 6 - Respect the rights of shareholders

	Recommendation	Comply Yes / No	Reference / explanation
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Page 12 & 13
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	

Principle 6 - Respect the rights of shareholders (cont'd)

	Recommendation	Comply Yes / No	Reference / explanation
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Page 12 & 13
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Page 12 & 13

Principle 7 - Recognise and manage risk

	Recommendation	Comply Yes / No	Reference / explanation
7.1	The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: > has at least three members, a majority of whom are independent directors; and > is chaired by an independent director, and disclose: > the charter of the committee; > the members of the committee: and > as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Yes	Page 11 and website
7.2	The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	Page 11
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and whole role it performs; or (b) if it does not have an internal audit function, that fact and processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	Page 11
7.4	A listed entity should disclose whether it has any material exposure to economic environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Page 19

Principle 8 – Remunerate fairly and responsibly

	Recommendation	Comply Yes / No	Reference / explanation
8.1	The Board of a listed entity should: (a) have a remuneration committee which: > has at least three members, a majority of whom are independent directors; and > is chaired by an independent director, and disclose: > the charter of the committee; > the members of the committee: and > as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee disclose that fact and the processes it employs setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Yes	Page 12 and website
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Remuneration report
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Yes	Remuneration report

Life Corporation's corporate governance practices were in place throughout the year ended 30 June 2015.

Various corporate governance practices are discussed within this statement. For further information on corporate governance policies adopted by Life Corporation, refer to our website: www.lifecorplimited.com

Board Functions

The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

To ensure that the Board is well-equipped to discharge its responsibilities it has established guidelines for the nomination and selection of directors and for the operation of the Board.

The responsibility for the operation and administration of the Company is delegated, by the Board, to the CEO and the executive management team. The Board ensures that this team is appropriately qualified and experienced to discharge their responsibilities and has in place procedures to assess the performance of the CEO and the executive team.

Whilst at all times the Board retains full responsibility for guiding and monitoring the Company, it makes use of sub-committees to discharge its responsibilities. Specialist committees are able to focus on a particular responsibility and provide informed feedback to the Board.

To this end the Board has established the following committees:

- Audit;
- Nomination; and
- Remuneration.

The roles and responsibilities of these committees are discussed throughout this corporate governance statement.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved including:

- Board approval of a strategic plan designed to manage the business.
- On-going development of the strategic plan and approving initiatives and strategies designed to ensure the continued growth and success of Life Corporation.
- Implementation of budgets by management and monitoring progress against budget through the establishment and reporting of both financial and non-financial key performance indicators.

Other functions reserved to the Board include:

- Approval of the annual and half-year financial reports.
- Approving and monitoring the progress of major capital expenditure, capital management, and acquisitions and divestitures.
- Ensuring that any significant risks that arise are identified, assessed, appropriately managed and monitored.
- Reporting to shareholders.
- Approval and appointment of the CEO.

Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report are included in the Directors' Report. Directors of Life Corporation are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with or could reasonably be perceived to materially interfere with - the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the Company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of director in question to shape the direction of the Company's loyalty.

In accordance with the definition of independence above, and the materiality threshold set, the following directors of the Company are considered to be independent:

Name	Position
Samuel Kong	Chairman (Non-executive) (appointed as Chairman on 23 January 2015)
Kam Yuen	Non-executive Director (resigned as Chairman on 23 January 2015)
Mark Ryan	Non-executive Director
Voiron Chor	Non-executive Director

The Board recognises the Corporate Governance Council’s recommendation that the Chair should be an independent director.

There are procedures in place, agreed by the Board, to enable the directors in furtherance of the duties to seek independent professional advice at the Company's expense.

The term in office held by each director in office at the date of this report is as follows:

Name	Term in Office
Kam Yuen	6 years 11 months
Samuel Kong	8 years 3 months
Mark Ryan	6 years 7 months
Voiron Chor	6 years 7 months
Simon Hoo	3 years 8 months
Kenneth Lim	1 year 4 months
Victor Hoo	1 year 4 months

Performance

The Board has committed to future annual reviews of its performance, individually and collectively, as well as annual reviews of key management against measurable and qualitative indicators.

Life Corporation’s Human Resources Management Plan encompasses a structured training and development program for all employees including management, which is directly aligned to achieving Life Corporation’s business objectives.

During the reporting period, the Nomination Committee conducted performance evaluations that involved an assessment of each key executive's performance against specific and measurable qualitative and quantitative performance criteria.

Directors whose performance is consistently unsatisfactory may be asked to resign.

Trading policy

Under Life Corporation's Securities Trading Policy, an executive or director must not trade in any securities of Life Corporation at any time when they are in possession of unpublished, price-sensitive information in relation to those securities.

Directors, the CEO, consultants, members of senior management and other employees must first obtain consent before commencing to trade from:

- the Chair in the case of directors and the CEO;
- the Audit Committee and Company Secretary in the case of the Chair; and
- the CEO in the case of officers, consultants, members of senior management and other employees.

In addition, the following blackout periods are imposed prior to and post publication of quarterly, half year and annual reporting:

- 2 weeks before and one day after Life Corporation is required to release quarterly cash flow announcements. Quarterly cash flow announcements are released on the last business day of January, April, July and October.
- 4 weeks before and one day following the announcement of the half year and full year results as the case may be.
- 1 day following the release of price sensitive information.

As required by the ASX Listing Rules, Life Corporation notifies the ASX of any transaction conducted by directors in the securities of Life Corporation.

Nomination Committee

The Board has established a Nomination Committee, which meets at least annually, to ensure that the Board continues to operate within established guidelines, including where necessary, selecting candidates for the position of director. The Nomination Committee comprises non-executive directors.

The members of the Nomination Committee during the year ended 30 June 2015 were:

Mr Samuel Kong (Chair),
Mr Kam Yuen and
Mr Mark Ryan.

For details of directors’ attendance at meetings of the Nomination Committee, refer to the Directors’ Report.

For additional details regarding the Nomination Committee including its charter please refer to our website.

Audit Committee

The Board has established an Audit Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the Company. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit Committee.

The committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the Audit Committee are non-executive directors. The members of the Audit Committee during the year were:

Mr Mark Ryan (Chair),
Mr Voiron Chor and
Mr Samuel Kong.

Qualifications of Audit Committee members

Mr Ryan is a Chartered Accountant and is the Accounting and Finance Director of the Kellogg Joint Venture Gorgon, a multinational consortium.

Mr Chor has significant experience in capital markets and holds a Masters of Finance from RMIT University Melbourne.

Mr Kong has significant corporate experience and is involved in a number of listed companies. He is a Chartered Accountant.

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to the Directors' Report on page 20. For additional details regarding the Audit Committee, including a copy of its charter, please refer to our website.

Internal audit

The Company does not have a dedicated internal audit function. The responsibility for risk management and internal controls lies with the Chief Executive Officer, the Group Financial Controller and the Board who continually monitor the Company's internal and external risk environment.

In addition to the risk management framework, the Company's internal compliance and control system is based on a financial reporting system that aims to ensure that financial reporting is both accurate and timely.

The Company's control processes include;

- Annual audit and half year review by the external auditor
- Monthly review of financial performance compared to the budget and forecast
- Oversight of financial information by the members of the Audit Committee.

The Company's auditors review the adequacy, nature, extent and effectiveness of the internal control and management processes.

Risk

The Company does not have a separate Risk Committee. The Board has continued its proactive approach to risk management. The identification and effective management of risk, including calculated risk-taking is viewed as an essential part of Life Corporation's approach to creating long-term shareholder value.

In recognition of this, the Board determines the Company's risk profile and is responsible for overseeing and approving risk management strategies and policies, internal compliance and internal control. In doing so the Board has taken the view that it is crucial to all board members to be a part of this process and as such, has not set a separate management committee.

The Board oversees an annual assessment of the effectiveness of risk management and internal compliance and control. The tasks of undertaking and assessing risk management and internal control effectiveness are delegated to management through the CEO, including responsibility for day-to-day design and implementation of the Company's risk management and internal control system. Management reports to the Board on the Company's key risks and the extent to which it believes these risks are being adequately managed.

Management is required by the Board to carry out specific management activities.The consideration and approval by the Board each year of Life Corporation's strategy, business plans and financial budgets involve identification of significant risks and the implementation of appropriate strategies to deal with them. The Board also requires management reporting against projected results. The Board receives monthly reports by management on financial performance and business development activities.

CEO and CFO certification

In accordance with section 295A of the Corporations Act 2001, the Chief Executive Officer and Chief Financial Officer have provided a written statement to the Board that:

- His views provided on Life Corporation's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and

- Life Corporation's risk management and internal compliance and control system is operating effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgment, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not, and cannot be, designed to detect all weaknesses in control procedures.

In response to this, internal control questions are required to be completed by key management personnel.

Remuneration

It is Life Corporation's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, Life Corporation has implemented an incentive scheme which is available to employees of Life Corporation. The expected outcomes of the remuneration structure are:

> Retention and motivation of key executives.

> Attraction of high quality management to Life Corporation.

> Performance incentives that allow executives to share in Life Corporation's success.

For details of the remuneration received by directors and senior executives in the current period please refer to the remuneration report, which is contained within the Directors' Report on page 21.

There is no scheme to provide retirement benefits to non-executive directors.

The Board is responsible for determining and reviewing compensation arrangements for the directors themselves, the Chief Executive Officer and executive team. The Board has established a Remuneration Committee.

The members of the Remuneration Committee comprise all members of the Board and all effective remuneration decisions are made by the Board through Board meetings.

For details on the number of meetings of the Remuneration Committee held during the year and the attendees at those meetings, refer to the Directors' Report on page 20.

For additional details regarding the Remuneration Committee, including a copy of its charter, please refer to our website.

Shareholder communication policy

Pursuant to Principle 6, Life Corporation's objective is to promote effective communication with its shareholders at all times.

Life Corporation is committed to:

> ensuring that shareholders and the financial markets are provided with full and timely information about Life Corporation's activities in a balanced and understandable way.

> complying with continuous disclosure obligations contained in the ASX Listing Rules and the *Corporations Act 2001* in Australia.

> communicating effectively with its shareholders and making it easier for shareholders to communicate with the Company.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

> through the release of information to the market via the ASX;

> through the distribution of the Annual Report and notices of annual general meeting; and

> by posting relevant information on Life Corporation's website.

Life Corporation's website www.lifecorplimited.com has a dedicated Investor Relations section and for the purpose of publishing all important company information and relevant announcements made to the market.

The external auditors are required to attend the Annual General Meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Diversity policy

The Company values diversity and recognises the benefits it can bring to the organisations ability to achieve its goals. Accordingly, the Company has developed a diversity policy, a copy of which can be found on the Company website. This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annually both the objectives, and the Company's progress in achieving them.

In accordance with this policy and ASX Corporate Governance Principles, the Board has established the following objectives in relation to gender diversity. The aim is to achieve these objectives by 30 June 2018 as the director and senior executive positions become vacant and appropriately skilled candidates are available:

	Actual as at 30 June 2015		**Actual as at 30 June 2014**		**Objective**
	Number	**%**	**Number**	**%**	**%**
Number of women employees in the whole organisation	14	42%	16	44%	40% - 60%
Number of women in senior executive positions	2	33%	2	29%	40% - 60%
Number of women on the Board	0	0%	0	0%	40% - 60%

The directors of Life Corporation Ltd submit herewith the annual financial report of the Company for the financial year ended 30 June 2015. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

Directors

The names and particulars of the directors of the Company during or since the end of the financial year are as below. Directors were in office for this entire period unless otherwise stated.

Name	Particulars
Samuel Kong (Kong Kam Yu) ACA	Chairman (Non-executive Director). Mr Kong graduated from the Imperial College of London in 1992 and qualified as a Chartered Accountant from the Institute of Chartered Accountants of England and Wales in 1995. He has worked for a number of accounting firms, including a leading international accounting firm before joining a listed healthcare group in Hong Kong in 2001. He is currently responsible for the group's finances, corporate projects and company secretarial matters. Since September 2012, Mr Kong holds directorship in another listed company, Golden Meditech Holdings Limited, a company listed on Hong Kong Stock Exchange.
Kam Yuen	Non-executive Director. Mr Kam has resigned as Chairman on 23 January 2015 and remained on the board as non-executive director. Mr Kam has substantial experience in the healthcare industry and is the founder of Golden Meditech Holdings Limited, a leading healthcare corporation in China providing integrated healthcare in cordblood banking, medical devices, healthcare services and natural herbal medicines. Mr. Kam graduated from the Beijing Second Foreign Languages Institute, the People's Republic of China in 1985 and has over 20 years of management experience in international business. Mr Kam is the Chairman and Chief Executive Officer of Golden Meditech Holdings Limited, a company listed on Hong Kong Stock Exchange since 2001 till present and Chairman of China Cord Blood Corporation, a company listed on the New York Stock Exchange from 2012 onwards.
Voiron Chor M.Fin	Non-executive Director. Mr Chor was an Executive Director of JP Morgan Chase Bank. Prior to that he was a Vice President of Private Wealth Management for Morgan Stanley Asia Limited. He has over 10 years' experience in financial investment and research in capital markets. Mr Chor holds a Masters of Finance from RMIT University Melbourne.

Name	Particulars
Simon Hoo CPA	Executive Director, Chief Executive Officer and Chief Financial Officer. Mr Hoo joined the company in June 2004 and is a Certified Public Accountant in Australia and a Chartered Accountant in Singapore. He holds a Master in Business Administration from the University of Manchester. He has more than 10 years of experience in both corporate finance and business development including the development of emerging markets for Life Corporation Ltd. Prior to his appointment as Executive Director of Life Corporation, Mr Hoo served as a Senior Corporate Finance Manager with work scopes including valuation, financial modelling/analysis, structuring, negotiation, risk management and the establishment of exit mechanisms for all Life Corporation markets.
Kenneth Lim BA	Executive Director. Mr Lim joined the company in October 2013 and was pivotal in the negotiation and implementation of the acquisition by the Company of SFS Care Pte Ltd. Mr Lim has over 20 years' experience in investment banking and corporate advisory services, including private equity and special situation investments. He has held various leadership positions and been involved in complex financial workouts, turnarounds and interim management. His experiences provide a valuable resource to the Company. Mr Lim holds a BA in Management and is presently a director of Global Eagle Capital Pte Ltd, a company specialising in fiduciary matters.
Victor Hoo B.Sc (Hons)	Executive Director. Mr Hoo joined the Company in December 2013 with the completion of the acquisition of SFS Care Pte Ltd. Mr Hoo co-founded Singapore Funeral Services (SFS) in 1998 to provide funeral related services. In 2012 he co-founded SFS Care Pte Ltd, which was the successor to SFS. Since its establishment SFS Care Pte Ltd has expanded the services previously offered by SFS and took the defining step of upgrading its range of services to provide bespoke premium services and a one-stop model including embalming, display caskets, and ancillary services. Mr Hoo's knowledge of and experience in the funeral services industry will be invaluable as the Company seeks to grow the business. Mr Hoo holds a B.Sc (Hons) in Management Studies from the University of London.

Name	Particulars
Mark Ryan B Com, ACA	Non-executive Director. Mr Ryan is the Accounting and Finance Director of the Kellogg Joint Venture Gorgon, a multinational consortium engaged to engineer, procure and construct an LNG processing facility in the north-west of Australia. The project has a capital expenditure budget in excess of $35 billion. Mr Ryan's previous corporate experience has included roles as Financial Controller and Company Secretary.

Company secretary

The Company Secretary, Mr Andrew Lord (BSc, LLB), was appointed on 16 April 2004. He is a member of the Law Institute of Victoria and is admitted as a Barrister and Solicitor to the High Court of Australia and the Supreme Court of Victoria. He is a principal of Lord Commercial Lawyers. He is an independent contractor of the Company and invoices the Company from time to time based on hours worked on an hourly rate.

Corporate information

Corporate structure and principal activities

Life Corporation is a company limited by shares, incorporated in Australia and operating in Singapore. Life Corporation is the ultimate holding company of the Group. The shares of the Company are publicly traded on the Australian Securities Exchange.

The Company and its controlled entities' ("consolidated entity" or "the Group") principal activities in the course of the financial year were the provision of multi-religion funeral services relating to burials or cremations and including other related ancillary services and supplies.

Operating and financial review

The consolidated revenue and net loss for the period attributable to members represents the results of operations of Life Corporation Ltd and its controlled entities ("the Group") for the year from 1 July 2014 to 30 June 2015. Details of the controlled entities are set out in note 24 of the Annual Report for the year ended 30 June 2015.

Revenue was S$3,120,000 as compared to S$2,197,000 in FY2014, an increase of 42%. Revenue is generated from the provision of funeral services and sales of related supplies. In FY2014, only 7 months of revenue was recognised after the completion of acquisition of SFS Care Pte Ltd in December 2013.

Other income was S$4,502,000 as compared to S$58,000 in FY2014. The increase is mainly due to government grants received by Singapore subsidiaries to subsidise purchase of certain qualifying productivity improvements, the release of a provision for contingent consideration of S$200,000 and a net unrealised gain on fair value of derivative financial liability of S$4,113,000. Kindly refer to note 16 for further details on valuation of conversion feature of the convertible bond.

Administration expenses were S$10,433,000 as compared to S$3,374,000 in FY2014. The significant increase is mainly due to impairment loss of goodwill of S$6,336,000 and expense incurred in conjunction with the terminated development of columbarium business of S$901,000.

Borrowing costs were S$526,000 in FY2015. The borrowing costs relate to the interest expense accrued for the convertible bond issued during the period.

Net loss attributable to members for the year ended 30 June 2015 was S$5,524,000, an increase of 84% as compared to S$3,007,000 for the year ended 30 June 2014. The increase in net loss is mainly arising from the high overall operating expenses base of the listed company, expense incurred in conjunction with the terminated development of columbarium business and impairment loss on goodwill recognised during the period. Moving forward, the management intends to intensify efforts on continuing to lowering operating expenses of the Group; while SFS Care Pte Ltd intend to continue to expand its base of prepaid funeral service packages in addition to the services of premium as-need funeral services packages.

Life Corporation Ltd and its entities have experienced a period of growth in Singapore dollar revenue streams after the completion of acquisition of SFS Care Pte Ltd in December 2013. In addition, the Company entered into a significant Singapore dollar funding arrangement for columbarium business in the current financial year. Consequently, the directors had determined that the functional currency of the key entities in the Life Corporation Ltd is Singapore dollars, effective from 1 July 2014.

Consistent with the change, the presentation currency of the Group has also changed to Singapore dollars. This change means that the financial information in the company's quarterly ASX reports, as well as its half-year and full-year accounts are presented in Singapore dollars.

As at 31 December 2014, assets under construction totalling S$5,316,000 were recognised. This represented the tender consideration for the parcel of land (exclusive of GST) awarded in Singapore and related expenditure on the Temple and Columbarium Development ("the Development") under construction.

Operating and financial review (cont'd)

The Company had announced in May 2015 that the Singapore government and Eternal Pure Land Pte Ltd, the Company's subsidiary had agreed to mutually terminate the Letter of Award dated 17 July 2014 (including the State Lease dated 7 January 2015 and the Building Agreement dated 14 October 2014). S$5,200,988 being the tender price for the lease of land parcel and all related government and regulatory fees and expenses paid on the lease of land parcel was fully refunded to Eternal Pure Land Pte Ltd on 6 May 2015. Consequently, assets under construction totalling S$5,316,000 recognised at 31 December 2014 was derecognised.

Separately, the Singapore government had accepted the proposal submitted by the Company for the development of an automated columbarium system on a plot of land zoned for cemetery use in Singapore. The Group is seeking to develop Singapore's first fully automated columbarium facility. The Company is in the process of completing the new land lease agreement and finalising with various parties on the building construction and business offerings. Any significant transaction will be announced in due course and in full compliance with disclosure obligations.

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to above or in the financial statements or notes thereto.

Subsequent events

There has not been any matter or circumstances that have arisen since the end of the reporting period that has significantly affected, or may significantly affect, the operations of the consolidated entities, the results of those operations, or the state of affairs of the consolidated entities in future financial periods.

Likely developments and expected results

In FY 2016, Life Corporation will focus on the consolidation of SFS Care service offerings and harnessing the benefits of the synergistic opportunities that the new business offers. SFS Care is in the business of funeral and bereavement services and its focus is that of providing premium funeral services for as-need cases requested by bereaving families. The Group intends to expand the focus primarily on pre-planning (pre-purchase) of bereavement services to include customised funeral events; products such as urn-containing boxes and premium urns and pre-planned rites and ceremonies upon columbarium internment for the Chinese community family clientele. This allows families to customize bereavement needs from a basket of services and products available besides current standardized funeral packages. The current range of services include embalming, caskets selection, multi-religion funeral rites and ceremonial services, along with other ancillary services. The expansion of service range is highly anticipated to be key driver of growth for the group.

Pending the completion of the land lease agreement with the Singapore government, the Group will also be focused on the development of the first automated columbarium in Singapore. The project is a first pilot project in Singapore to focus on automated columbarium management system intending on intensifying special land use for columbarium purpose and achieving a new level of unique and personalised memorialisation experiences for families.

Environmental regulations

The principal activities of the Company and its controlled entities did not create any significant environmental impact to any material extent.

Dividends

The Company did not pay any dividends during the financial year (2014: nil). The directors do not recommend the payment of a dividend in respect of the financial year.

Share options

Unissued shares

As at the date of this report, there are no unissued ordinary shares under options.

Shares issued as a result of the exercise of options

During and since the end of the financial year no share options were granted to, or exercised by the directors and executives of the Company or the Group.

Indemnification and insurance of directors and officers

The Company has, during the financial year, paid an insurance premium in respect of an insurance policy to the benefit of the directors and officers of the Company and any related bodies corporate as defined in insurance policy. The insurance grants indemnity against liabilities permitted to be indemnified by the Company under the *Corporations Act 2001*. The insurance policy prohibits disclosure of the terms of the policy including the nature of the liability insured against in the amount of the premium.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Directors' meetings

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, eight Board meetings and two Audit Committee meetings were held.

Directors	Board of Directors		Audit Committee		Nomination Committee		Remuneration Committee*	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Samuel Kong	8	7	2	2	1	1	-	-
Kam Yuen	8	4	-	-	1	1	-	-
Voiron Chor	8	4	2	2	-	-	-	-
Mark Ryan	8	8	2	2	1	1	-	-
Simon Hoo	8	8	-	-	-	-	-	-
Kenneth Lim	8	8	-	-	-	-	-	-
Victor Hoo	8	7	-	-	-	-	-	-

*The members of the Remuneration Committee comprise all members of the Board and all effective remuneration decisions are made by the Board through Board meetings.

Directors' shareholdings

The following table sets out each director's relevant interest in equity instruments comprising shares and options in shares of the Company or a related body corporate as at the date of this report.

Directors	Fully paid ordinary shares	Partly paid ordinary shares	Executive share options
Life Corporation Ltd			
Kam Yuen	–	–	–
Simon Hoo	662,001	–	–
Kenneth Lim	1,468,419	–	–
Victor Hoo	4,486,001	–	–
Samuel Kong	545,735	–	–
Mark Ryan	145,844	–	–
Voiron Chor	33,334	–	–

Remuneration report (Audited)

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements of the Company and the Group in accordance with the *Corporations Act 2001* (the Act) and its regulations. This information has been audited as required by Section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Executive remuneration arrangements
   A. Remuneration principles and strategy
   B. Approach to setting remuneration
   C. Detail of incentive plans
4. Executive remuneration outcomes for 2015 (including link to performance)
5. Executive contractual arrangements
6. Non-executive director remuneration arrangements (including statutory remuneration disclosures)
7. Additional statutory disclosures

1. Introduction

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purpose of this report, the term "executive" includes the Chief Executive Officer (CEO), executive directors and other senior executives of the Parent and the Group.

***Directors*:**

Samuel Kong	(Chairman, non-executive) (Appointed as Chairman on 23 January 2015)
Simon Hoo	(Director, executive)
Kenneth Lim	(Director, executive)
Victor Hoo	(Director, executive)
Kam Yuen	(Director, non-executive) (Resigned as Chairman on 23 January 2015)
Mark Ryan	(Director, non-executive)
Voiron Chor	(Director, non-executive)

Remuneration report (Audited) (cont'd)

Executives:

Hoo Hung Chye	(Client Service Director)
Fexlicia Lee Pei Yue	(Group Financial Controller)
Andrew Lord	(Company Secretary)

There were no other changes to the KMP after the reporting date and before the date the financial report was authorised for issue.

2. Remuneration governance

Remuneration committee

The remuneration committee comprises all members of the Board.

The remuneration committee is responsible for making recommendations to the Board on the remuneration arrangements for non-executive directors (NEDs) and executive directors.

Specifically, the Board approves the remuneration arrangements of the CEO and other executives and all awards made under the long-term incentive (LTI) plan, following the recommendations from the remuneration committee. The Board also sets the aggregate remunerations of NEDs, which is subject to shareholders approval and NED fee levels. The remuneration committee approves, having regard to the recommendations made by the CEO, the level of the Group short-term incentive (STI) pool.

The remuneration committee meets regularly through the year. The CEO attends certain remuneration committee meetings by invitation, where management input is required. The CEO is not present during any discussions related to his own remunerations arrangements.

Further information on the committee's role, responsibilities and membership can be seen at www.lifecorplimited.com.

Remuneration report approval at FY14 AGM

The FY14 remuneration report received positive shareholder support at the FY14 AGM.

Remuneration report (Audited) (cont'd)

3. Executive remuneration arrangements

3A. Remuneration principles and strategy

Life Corporation's remuneration strategy is designed to attract, motivate and retain employees by identifying and rewarding high performing individuals and align the interests of executives and shareholders.

To that end, key objectives of the Company's reward framework are to ensure that remuneration practices:

- Are aligned to the Group's business strategy;
- Offer competitive remuneration benchmarked against external market;
- Provide strong linkage between individual and Group performance and rewards; and
- Align the interests of executives with shareholders.

The following diagram illustrates how the Company's remuneration strategy aligns with the strategic direction and links remuneration outcomes to performance.

Business objective
To continue seeking viable business opportunities and build long-term value for shareholders

Remuneration strategy linkages to business objective	
Align the interests of executives with shareholders • The remuneration framework incorporates "at-risk" components, including both short and longer term elements delivered in equity • Performance is assessed against a suite of financial and non-financial measures relevant to the success of the company and generating returns for shareholders	**Attract, motivate and retain high performing individuals** • The remuneration offering is competitive for companies of a similar size and complexity • Long-term remuneration encourages retention

Remuneration component	**Payment method**	**Purpose**	**Link to performance**
Fixed remuneration	Comprises base salary, superannuation and non-monetary benefits	• Set with reference to role, market and experience • Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.	• No direct link to Company performance

Remuneration report (Audited) (cont'd)

3. Executive remuneration arrangements (cont'd)

3A. Remuneration principles and strategy (cont'd)

Remuneration component	Payment method	Purpose	Link to performance
STI component	Paid in cash	• Rewards executives for their contribution to achievement of Group targets, as well as individual key result areas (KRAs).	• Linked to financial and non-financial corporate and individual measures of performance • Include contribution to revenue based on client sign-ups, customer services, risk management, product management and leadership contributions
LTI component	Awards are made in the form of share options	• Rewards executives for their contribution to the creation of shareholder value over the longer term.	• Granting of awards is dependent on financial and non-financial corporate and individual measures of performance

3B. Approach to setting remuneration

The Group aim to reward executives with a level of mix of remuneration commensurate with their position and responsibilities within the Group and aligned with market practice.

Remuneration levels are considered annually through a remuneration review that considers market data, insights into remuneration trends, the performance of the Company and individual, and the broader economic environment.

3C. Detail of incentive plans

In the 2015 financial year, the executive remuneration framework consisted of the following components:

- Fixed remuneration; and
- Variable STI remuneration.

Remuneration report (Audited) (cont'd)

3. Executive remuneration arrangements (cont'd)

3C. Detail of incentive plans (cont'd)

Fixed remuneration

Executive contracts of employment do not include any guaranteed base pay increases. These are reviewed annually by the Board and management. The process consists of a review of the Company and individual performance, relevant comparative remuneration internally and externally.

The fixed component of executives' remuneration is detailed in Table 1 to Table 4.

Short-term incentive (STI)

The Group operates an annual STI program that is available to executives and awards a cash bonus subject to the attainment of clearly defined Group and individual measures.

Actual STI payments awarded to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of key result areas (KRAs) covering financial and non-financial, corporate and individual measures of performance.

Performance measures – Key Results Areas ("KRA")
Financial measure: • Revenue
Non-financial measure: • Identification of new business opportunities • Clients sign-ups • Product development & management • Risk management • Leadership/ team contribution

The achievement of these is measured through the line managers' review during each appraisal cycle, unaudited financial information as well as internal reporting statistics.

These performance measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long-term value.

On an annual basis, after consideration of performance against KRAs, the Board and management will determine the amount, if any, of the short-term incentive to be paid to each executive. This process usually happens two months after the reporting date. Payments made are delivered as a cash bonus in the following reporting period.

The maximum bonus payable is not determined in advance. Instead, STI payments are made at the discretion of the Board. The bonus approved and paid for the 2015 financial year is S$40,100 (2014: S$23,955) for the Executive Directors and S$21,600 (2014: S$Nil) for other key management personnel, it was paid in January and February 2015.

Remuneration report (Audited) (cont'd)

3. Executive remuneration arrangements (cont'd)

3C. Detail of incentive plans (cont'd)

Long-term incentives (LTI)

LTI awards may be made to executives in order to align remuneration with the creation of shareholder value over the long-term. As such, LTI awards are only made to executives and other key talent who have an impact on the Group's performance against the relevant long-term performance measure.

LTI grants to key management personnel are delivered in the form of share options under the Options and Performance Rights Plan. The details of the plan are stated below.

Options and Performance Rights Plan

An equity incentive plan, the Options and Performance Rights Plan ("Plan") was introduced on 23 November 2005 at the Company's Annual General Meeting to foster an ownership culture within the consolidated entity and to motivate employees and directors to achieve performance targets of their respective business units. The Plan was administered by the Remuneration Committee up until 30 January 2009 and subsequent to this date it is now administered by the Board. The executive directors and employees of Life Corporation Ltd and its controlled entities are eligible to participate in the Plan, at the absolute discretion of the Board of Directors.

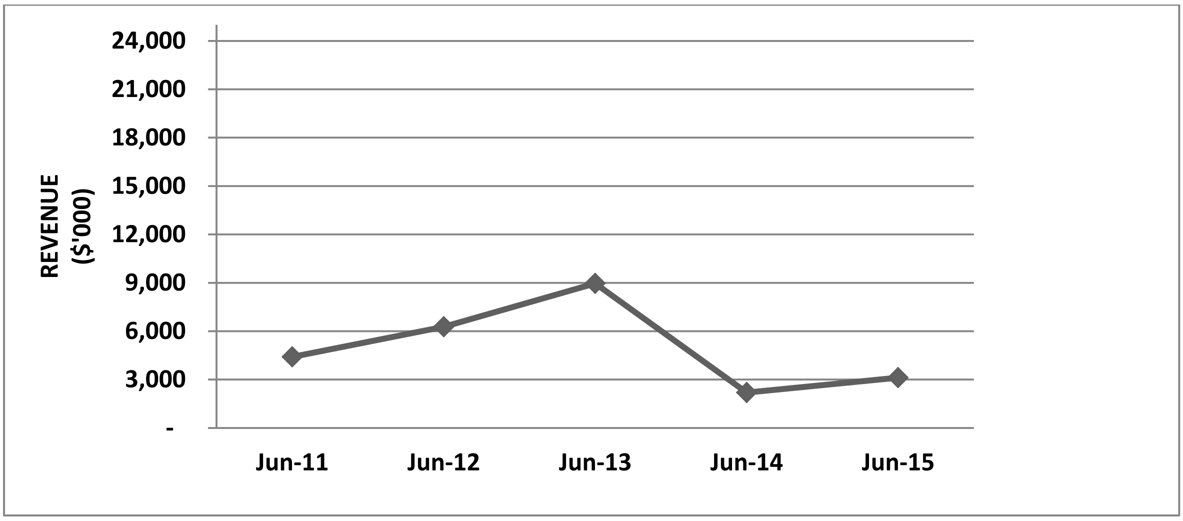
The number of ordinary shares in the Company acquired or subscribed for or issued upon exercise of a performance right or option under the Plan must not, when aggregated with any other ordinary shares issued under the Plan in the Company held by the participating executive directors or executives, exceed 10% of the total ordinary shares in the Company issued at the time of issue of the performance rights or options.

No LTI plans were in operations during the year.

Remuneration report (Audited) (cont'd)

4. Executive remuneration outcomes for 2015 (including link to performance)

Group performance is reflected in the movement of the Group's revenue over time. Revenue reflects the growth and performance of the Group and revenue is largely based on the number of funeral services delivery. The graph below shows the Group's revenue history over the past five years (including the current period).



The table below summarises the consequence of the Group's performance on shareholder value for the financial year and the previous four financial years in the form of changes in share price (in accordance with the requirements of the *Corporations Act 2001*):

Financial year ended 30 June	**2011**	**2012**	**2013**	**2014**	**2015**
Closing share price (A$ as 30 June)	0.10	0.05	0.05	0.15	0.10

Remuneration report (Audited) (cont'd)

5. Executive contractual arrangements

Remuneration arrangements for KMP are formalised in employment agreements. Details of these contracts are provided below:

Chief Executive Officer

The Chief Executive Officer, Mr Simon Hoo, was employed under contract. The key features of the contract may be summarised as follows:

- Mr Simon Hoo receives fixed base salary of S$168,890 and a fixed transport allowance of S$19,200 per annum;
- The Company may terminate Mr Hoo's employment by giving 3 months' written notice to Mr Hoo or may make payment to him in a sum equal to the base salary he would have earned if he had been given the relevant period of notice; and
- Mr Hoo may terminate his employment by giving a period of notice of 3 months in writing. Failure to give such notice entitles the Company to deduct from any monies owing to Mr Hoo an amount representing the number of weeks or days of the notice period he did not work.

Other KMP

The other key executives are also under rolling employment contracts, the key features of which are as follows:

- Payment of fixed remuneration (base salary, superannuation, transport allowance and non-monetary benefits);
- The Company may terminate the employee's employment by giving 2 to 3 months' written notice to the employee or may make payment to him in a sum equal to the base salary he would have earned if he had been given the relevant period of notice;
- The Company may terminate the employee's appointment immediately without notice (or payment in lieu of notice) if the employee:

Remuneration report (Audited) (cont'd)

5. Executive contractual arrangements (cont'd)

Other KMP (cont'd)

- fails or refuses to comply with a reasonable and lawful direction given to him by the Company;
- is, in the reasonable opinion of the Company, guilty of serious and wilful neglect or misconduct in the discharge of his duties;
- has committed a serious breach, or is persistently in breach of any term of the contract and has failed to remedy such breach within 14 days of being requested by the Company in writing to do so;
- is made bankrupt;
- is charged with any criminal offence which may bring the Company into disrepute; or
- breaches any material provision of the contract.

• The employee may terminate the employment by giving a period of notice of 2 to 3 months in writing. Failure to give such notice entitles the Company to deduct from any monies owing to the employee an amount representing the number of weeks or days of the notice period the employee did not work.

The remuneration of Executives for the year ended 30 June 2015 and June 2014 are detailed in Table 3 and 4 on page 32.

6. Non-executive director remuneration arrangements

Remuneration policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to non-executive directors ("NEDs") of comparable companies. The Board considers advice from external consultants when undertaking the annual review process.

The Company's Constitution and the ASX listing rules specify that the NED pool shall be determined from time to time by a general meeting. The latest determination was at the 2009 annual general meeting (AGM) held on 30 November 2009 when shareholders approved an aggregate fee pool of $250,000 per year.

Remuneration report (Audited) (cont'd)

6. Non-executive director remuneration arrangements (cont'd)

Structure

The remuneration of NEDs consists of directors' fees. NEDs are also entitled to participate in the Group's Options and Performance Rights Plan, subject to the prior approval by shareholders. This is to provide retention incentive and compensation for additional roles that NEDs participate in.

The remuneration of NEDs for the year ended 30 June 2015 and 30 June 2014 are detailed in Table 1 and Table 2 on pages 30 and 31.

7. Additional statutory disclosures

This section sets out the additional disclosures required under the Corporation Act 2001.

Remuneration of Key Management Personnel of the Company and the Group

The following table discloses the remuneration of the directors of the Company:

Table 1: Remuneration for the year ended 30 June 2015

	Short-Term			**Post Employment**	**Long Term**		
Director	**Salary and fees** S$	**Bonus** S$	**Other^** S$	**Super-annuation** S$	**Long service leave** S$	**Total** S$	**Perfor-mance related** %
Executive directors							
Simon Hoo	169,890	13,000	19,200	12,110	5,153	219,353	5.9
Kenneth Lim	154,849	12,000	19,200	11,940	–	197,989	6.1
Victor Hoo	141,750	15,100	19,200	12,467	–	188,517	8.0
Non-executive directors							
Kam Yuen	65,280	–	–	–	–	65,280	–
Samuel Kong	48,960	–	–	–	–	48,960	–
Mark Ryan	48,960	–	–	13,069	–	62,029	–
Voiron Chor	48,960	–	–	–	–	48,960	–
Total	678,649	40,100	57,600	49,586	5,153	831,088	

^ Other short-term remuneration relates to payment for a fixed transport allowances paid to the Executive Directors.

Remuneration report (Audited) (cont'd)

7. Additional statutory disclosures (cont'd)

Table 2: Remuneration for the year ended 30 June 2014

Director	Short-Term			Post Employment	Long Term		
	Salary and fees S$ (Restated)(1)	Bonus S$ (Restated)(1)	Other^ S$ (Restated)(1)	Super-annuation S$ (Restated)(1)	Long service leave S$ (Restated)(1)	Total S$ (Restated)(1)	Performance related %
Executive directors							
Simon Hoo	121,542	14,400	27,000	8,800	2,950	174,692	8.3
Simon Lee*	116,790	9,555	17,600	8,928	–	152,873	6.3
Kenneth Lim**	24,263	–	3,200	1,600	–	29,063	–
Victor Hoo**	27,000	–	3,200	1,600	–	31,800	–
Non-executive directors							
Kam Yuen	70,620	–	–	–	–	70,620	–
Samuel Kong	52,965	–	–	–	–	52,965	–
Mark Ryan	52,965	–	–	14,138	–	67,103	–
Voiron Chor	52,965	–	–	–	–	52,965	–
Total	519,110	23,955	51,000	35,066	2,950	632,081	

^ Other short-term remuneration relates to payment for transport, travel allowances and expense paid on behalf to the Executive Directors.
* Resigned on 23 May 2014
** Appointed on 23 May 2014

[1]: With effect from 1 July 2014, the directors of Life Corporation Ltd determined that the functional currency of the key entities is Singapore dollars. Consistent with the change in functional currency, the Group has elected to change its presentation currency from Australian dollars to Singapore dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

Remuneration report (Audited) (cont'd)

7. Additional statutory disclosures (cont'd)

The following tables disclose the remuneration of executives of the consolidated entity:

Table 3: Remuneration for the year ended 30 June 2015

	Short-Term			Post Employment		
Executive	**Salary and fees** S$	**Bonus** S$	**Other^** S$	**Super-annuation** S$	**Total** S$	**Perfor-mance related** %
Consolidated entity						
Hoo Hung Chye	126,000	13,600	19,200	12,212	171,012	7.9
Fexlicia Lee Pei Yue	100,208	8,000	8,400	11,260	127,868	6.3
Andrew Lord	48,938	–	–	–	48,938	–
Total	275,146	21,600	27,600	23,472	347,818	

^ Other short-term remuneration relates to payment for transport and travel allowances.

Table 4: Remuneration for the year ended 30 June 2014

	Short-Term			Post Employment		
Executive	**Salary and fees** S$ (Restated)[(1)]	**Bonus** S$ (Restated)[(1)]	**Other^** S$ (Restated)[(1)]	**Super-annuation** S$ (Restated)[(1)]	**Total** S$ (Restated)[(1)]	**Perfor-mance related** %
Consolidated entity						
Hoo Hung Chye*	84,000	–	11,200	5,600	100,800	–
Fexlicia Lee Pei Yue**	39,595	–	1,600	3,200	44,395	–
Andrew Lord	89,408	–	–	–	89,408	–
Total	213,003	–	12,800	8,800	234,603	

^ Other short-term remuneration relates to payment for transport and travel allowances.
* Appointed and met the definition of key management personnel on 2 December 2013.
** Met the definition of key management personnel on 1 March 2014.

There were no shares, compensation options and performance rights granted to the executives during the financial year ended 30 June 2015. No shares option vested, exercised or lapsed in FY15.

[(1)]: With effect from 1 July 2014, the directors of Life Corporation Ltd determined that the functional currency of the key entities is Singapore dollars. Consistent with the change in functional currency, the Group has elected to change its presentation currency from Australian dollars to Singapore dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

Remuneration report (Audited) (cont'd)

7. Additional statutory disclosures (cont'd)

Shareholdings of key management personnel

All equity transactions with key management personnel have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Fully paid ordinary shares of Life Corporation Ltd:

	Balance at 1 July 2014 No.	**Granted as remuneration** No.	**Received on exercise of options/rights** No.	**Net other change#** No.	**Balance at 30 June 2015** No.
Directors:					
Kam Yuen	–	–	–	–	–
Simon Hoo	100,001	–	–	562,000	662,001
Samuel Kong	116,667	–	–	429,068	545,735
Kenneth Lim	1,468,419	–	–	–	1,468,419
Victor Hoo	4,486,001	–	–	–	4,486,001
Mark Ryan	78,329	–	–	67,515	145,844
Voiron Chor	33,334	–	–	–	33,334
Executives:					
Hoo Hung Chye	4,486,001	–	–	–	4,486,001
Fexlicia Lee Pei Yue	10,000	–	–	–	10,000
Andrew Lord	33,334	–	–	–	33,334
	10,812,086	–	–	1,058,583	11,870,669

#: Net other change relates to shares purchases on the market. All equity transactions with KMP have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Remuneration report (Audited) (cont'd)

7. Additional statutory disclosures (cont'd)

Shareholdings of key management personnel (cont'd)

	Balance at 1 July 2013 No.	**Granted as remuneration** No.	**Received on exercise of options/rights** No.	**Net other change** No.	**Balance at 30 June 2014** No.
Directors:					
Kam Yuen	–	–	–	–	–
Simon Hoo	300,000	–	–	(199,999)	100,001
Simon Lee^	953,723	–	–	(953,723)	–
Samuel Kong	350,000	–	–	(233,333)	116,667
Kenneth Lim*	–	–	–	1,468,419	1,468,419
Victor Hoo*	–	–	–	4,486,001	4,486,001
Mark Ryan	186,980	–	–	(108,651)	78,329
Voiron Chor	100,000	–	–	(66,666)	33,334
Executives:					
Hoo Hung Chye**	–	–	–	4,486,001	4,486,001
Fexlicia Lee Pei Yue***	–	–	–	10,000	10,000
Andrew Lord	100,000	–	–	(66,666)	33,334
	1,990,703	–	–	8,821,383	10,812,086

^ Resigned on 23 May 2014
* Appointed on 23 May 2014
** Appointed and met the definition of KMP on 2 December 2013
*** Met the definition of KMP on 1 March 2014

End of Remuneration report (Audited)

Proceedings on behalf of the Company

There were no proceedings on behalf of the Company during or since the end of the financial year.

Auditor independence and non-audit services

Independence declaration

The directors obtained a declaration of independence from the auditors, Ernst & Young, a copy of which follows the Audit Opinion.

Non-audit services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit services provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

Tax compliance services	7,469

Signed in accordance with a resolution of the directors made pursuant to S298(2) of the *Corporations Act 2001*.

On behalf of the Board

Simon Hoo

25 September 2015

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Independent auditor's report to the members of Life Corporation Ltd

Report on the financial report

We have audited the accompanying financial report of Life Corporation Ltd, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report 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 the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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GHM:JT:LIFECORP:007

Opinion

In our opinion:

a. the financial report of Life Corporation Ltd is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 21 to 34 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Life Corporation Ltd for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

G H Meyerowitz
Partner
Perth
25 September 2015

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Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's independence declaration to the Directors of Life Corporation Ltd

In relation to our audit of the financial report of Life Corporation Ltd for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

G H Meyerowitz
Partner
25 September 2015

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GHM:JT:LIFECORP:008

Life Corporation Ltd

Directors' Declaration

In accordance with a resolution of the directors of Life Corporation Ltd, I state that:

(1) In the opinion of the directors:

(a) the financial statements and notes of Life Corporation Ltd for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b).

(2) This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

On behalf of the Board

Simon Hoo

25 September 2015

Life Corporation Ltd

Consolidated statement of comprehensive income
For the financial year ended 30 June 2015

	Note	Consolidated 2015 S$'000	2014 (Restated) S$'000
Continuing operations			
Revenue	5(a)	3,120	2,197
Cost of sales	5(b)	(2,047)	(1,273)
Gross profit		1,073	924
Other income	5(a)	4,502	58
Marketing expenses		(147)	(183)
Administration expenses	5(b)	(10,433)	(3,374)
Financing costs		(526)	–
Loss before income tax from continuing operations		(5,531)	(2,575)
Income tax benefit/(expense)	6	7	(15)
Loss after income tax from continuing operations		(5,524)	(2,590)
Discontinued operations			
Loss from discontinued operations	19	–	(417)
Net loss for the year		(5,524)	(3,007)
Other comprehensive losses			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation losses attributable to parent		(61)	(97)
Total comprehensive losses for the year, net of tax		(5,585)	(3,104)
Loss after income tax attributable to:			
Members of parent		(5,524)	(3,007)
		(5,524)	(3,007)
Total comprehensive loss attributable to:			
Members of parent		(5,585)	(3,104)
		(5,585)	(3,104)
Loss per share for continuing operations attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	22	(7.78)	(3.98)
Diluted loss per share (cents per share)	22	(8.76)	(3.98)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic loss per share (cents per share)	22	(7.78)	(4.62)
Diluted loss per share (cents per share)	22	(8.76)	(4.62)

The above statement should be read in conjunction with the accompanying notes.

Life Corporation Ltd

Consolidated statement of financial position
As at 30 June 2015

	Note	2015	Consolidated 2014 (Restated)	1 July 2013 (Restated)
		S$'000	S$'000	S$'000
Current assets				
Cash and cash equivalents	31	5,864	2,313	7,468
Trade and other receivables	7	493	263	3,998
Prepayments		78	87	68
Inventories	8	35	59	–
Total current assets		6,470	2,722	11,534
Non-current assets				
Plant and equipment	10	546	678	49
Intangible assets and goodwill	15	2,107	8,443	–
Total non-current assets		2,653	9,121	49
Total assets		9,123	11,843	11,583
Current liabilities				
Trade and other payables	11	1,439	1,231	1,758
Provisions		51	65	146
Deferred revenue	13	295	–	–
Finance lease liability		93	93	–
Income tax payable	6	27	67	1
Total current liabilities		1,905	1,456	1,905
Non-current liabilities				
Convertible bond	16	1,189	–	–
Derivative financial liability	16	1,224	–	–
Finance lease liability		52	52	–
Deferred tax liabilities	6	465	462	–
Total non-current liabilities		2,930	514	–
Total liabilities		4,835	1,970	1,905
Net assets		4,288	9,873	9,678
Equity				
Contributed equity	20	94,137	94,137	90,838
Foreign currency translation reserve	21	(2,599)	(2,538)	(2,441)
Other reserve	21	(2,382)	(2,382)	(2,382)
Employee equity benefits reserve	21	4,146	4,146	4,146
Convertible bond reserve	21	4,358	4,358	4,358
Accumulated losses		(93,372)	(87,848)	(84,841)
Total equity		4,288	9,873	9,678

The above statement should be read in conjunction with the accompanying notes.

Life Corporation Ltd

Consolidated statement of cash flows
For the financial year ended 30 June 2015

	Note	Consolidated 2015	2014 (Restated)
		S$'000	S$'000
Cash flows from operating activities			
Receipts from customers		3,394	2,307
Payments to suppliers and employees		(5,759)	(5,468)
Interest received		2	3
Interest and other borrowing costs paid		(8)	(11)
Income taxes paid		(45)	(4)
Net cash used in operating activities	31(b)	(2,416)	(3,173)
Cash flows from investing activities			
Purchase of plant and equipment		(50)	(64)
Purchase of assets under construction		(5,565)	–
Proceeds from disposal of controlled entities (net of cash disposed)		–	3,140
Acquisition of a subsidiary, net of cash acquired		–	(5,310)
Proceeds from termination of land lease agreement		5,565	–
Loan repaid by other entity		–	350
Net cash used in investing activities		(50)	(1,884)
Cash flows from financing activities			
Proceeds from issuance of convertible bond		6,000	–
Net cash generated from financing activities		6,000	–
Net increase/(decrease) in cash and cash equivalents held		3,534	(5,057)
Cash and cash equivalents at the beginning of the financial year		2,313	7,468
Effects of exchange rate changes on the balance of cash held in foreign currencies		17	(98)
Cash and cash equivalents at the end of the financial year	31(a)	5,864	2,313

The above statement should be read in conjunction with the accompanying notes.

Life Corporation Ltd

Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2015

	Contributed equity S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Employee equity benefits reserve S$'000	Convertible bond reserve S$'000	Other reserve S$'000	Total S$'000
At 1 July 2013 (restated*)	**90,838**	**(2,441)**	**(84,841)**	**4,146**	**4,358**	**(2,382)**	**9,678**
Loss for the year	–	–	(3,007)	–	–	–	(3,007)
Other comprehensive loss	–	(97)	–	–	–	–	(97)
Total comprehensive losses for the year, net of tax	–	(97)	(3,007)	–	–	–	(3,104)
Transactions with owners in their capacity as owners							
Issuance of shares	3,299	–	–	–	–	–	3,299
At 30 June 2014(restated)	**94,137**	**(2,538)**	**(87,848)**	**4,146**	**4,358**	**(2,382)**	**9,873**

*: With effect from 1 July 2014, the directors of Life Corporation Ltd determined that the functional currency of the key entities is Singapore dollars. Consistent with the change in functional currency, the Group has elected to change its presentation currency from Australian dollars to Singapore dollars.

The above statement should be read in conjunction with the accompanying notes.

Life Corporation Ltd

Consolidated statement of Changes in Equity
For the financial year ended 30 June 2015

	Contributed equity S$'000	Foreign currency translation reserve S$'000	Accumulated losses S$'000	Employee equity benefits reserve S$'000	Convertible bond reserve S$'000	Other reserve S$'000	Total S$'000
At 1 July 2014 (restated)	**94,137**	**(2,538)**	**(87,848)**	**4,146**	**4,358**	**(2,382)**	**9,873**
Loss for the year	–	–	(5,524)	–	–	–	(5,524)
Other comprehensive loss	–	(61)	–	–	–	–	(61)
Total comprehensive losses for the year, net of tax	–	(61)	(5,524)	–	–	–	(5,585)
Transactions with owners in their capacity as owners							
Issuance of shares	–	–	–	–	–	–	–
At 30 June 2015	**94,137**	**(2,599)**	**(93,372)**	**4,146**	**4,358**	**(2,382)**	**4,288**

The above statement should be read in conjunction with the accompanying notes.

1. Corporate information

The financial report of Life Corporation Ltd (the "Company") for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the directors on 25 September 2015.

Life Corporation Ltd (the parent) is a for profit company limited by shares, incorporated and domiciled in Australia and operates in Singapore. Life Corporation Ltd is the ultimate holding company of the Group. The shares of the Company are publicly traded on the Australian Securities Exchange.

The Company's registered office is located at Level 10, 167 Queen Street, Melbourne, Victoria 3000, Australia. The principal place of business is located at 988 Toa Payoh North, #07-05 Singapore 319002.

The Company and its controlled entities' ("consolidated entity") principal activities in the course of the financial year were the provision of multi-religion funeral services relating to burials or cremations and including other related ancillary services and supplies.

2. Basis of Preparation and Significant Accounting Policies

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on the basis of historical cost, except for contingent consideration payable and derivative financial liabilities which have been measured at fair value.

The consolidated financial statements have been prepared on a going concern basis. Pending the completion of the land lease agreement with the Singapore government, the Group will enter into construction contracts to develop the first automated columbarium in Singapore which will be funded through project financing which is yet secured.

The Company is of the kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the “rounding” of amounts in the financial report.

The accounting policies adopted are consistent with those of the previous financial year except as noted below.

(a) Change in functional and presentation currency

An entity’s functional currency is the currency of the primary economic environment in which the entity operates. Life Corporation Ltd has experienced a period of growth in Singapore dollar revenue streams after the acquisition of SFS Care Pte Ltd was completed in half-year ended 31 December 2013. In current year, the Company entered into a significant Singapore dollar funding arrangement. Consequently, the directors had determined that the functional currency of the Company and certain subsidiaries is Singapore dollar. The change in functional currency has been applied prospectively with effect from 1 July 2014 in accordance with the requirement of the Accounting Standards.

Following the change in functional currency from Australian dollars, Life Corporation Ltd elected to change its presentation currency from Australian dollars to Singapore dollars. The change in presentation currency represents a voluntary change in accounting policy, which has been applied retrospectively.

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

(a) Change in functional and presentation currency (cont'd)

To give effect to the change in functional currency, the assets and liabilities of entities with an Australian dollar functional currency at 30 June 2014 were converted into Singapore dollars at fixed exchange rate of A$1:S$1.177 and the contributed equity, reserves and retained earnings were converted at applicable historical rates.

In order to derive Singapore dollar comparatives (presentation currency), the Australian dollar functional currency assets and liabilities as at 30 June 2014 were converted at the spot rate of A$1:S$1.177 on the reporting date (30 June 2013: A$1:S$1.16); revenue and expenses for the year ended 30 June 2014 were converted at the average exchange rate of A$1:S$1.152 for the reporting period, or at the exchange rates ruling at the date of the transactions to the extent practicable, and equity balances were converted at applicable historical rates.

The above stated procedures resulted in a foreign exchange translation reserve of S$2,441,000 on 1 July 2013. Loss per share for year ended 30 June 2014 has also been restated in Singapore dollars to reflect the change in presentation currency (refer to note 22).

(b) Compliance with Standards

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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

(c) New and amended accounting standards and interpretations

From 1 July 2014, Life Corporation Ltd has adopted all Australian Accounting Standards and Interpretations effective from 1 July 2014, including:

Reference	Title	Summary
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The amendments had minimal effect on the Group's financial report.
AASB 2013-3	Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The amendments had minimal effect had minimal impact on the Group. Additional disclosures required by AASB 136 are set out in note 15.

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

(c) New and amended accounting standards and interpretations (cont'd)

Reference	Title	Summary
AASB 1031	Materiality	The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*. The adoption of this standard had minimal impact on Group's financial report.

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

(c) New and amended accounting standards and interpretations (cont'd)

Reference	Title	Summary
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. The amendments have minimal effect on the Group's financial report.

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

(c) New and amended accounting standards and interpretations (cont'd)

Reference	Title	Summary
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards – Part A Annual Improvements to IFRSs 2010-2012 Cycle	This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed. The amendments had minimal effect on the Group's financial report.

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

(c) New and amended accounting standards and interpretations (cont'd)

Reference	Title	Summary
AASB 2014-1 Part A -Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards – Part A Annual Improvements to IFRSs 2011-2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3. The amendments had minimal effect on the Group's financial report.

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

(d) Accounting standards and interpretations issued but not yet effective

The following standards and interpretations have been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2015:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9	Financial Instruments	AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.	1 January 2018	The Group has not yet determined the impact of the amendments, if any	1 July 2018

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9(cont'd)		The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.			

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9(cont'd)		The main changes are described below. (a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows (b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. (c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.			

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9(cont'd)		(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.			

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 9(cont'd)		AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.			

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2014-3	Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations	AASB 2014-3 amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. The amendments require: (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. This Standard also makes an editorial correction to AASB 11	1 January 2016	The amendments are expected to have no or minimal effect on the Group's financial report	1 July 2016

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances..	1 January 2016	The Group has not yet determined the impact of the amendments, if any	1 July 2016

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 15	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or service.	1 January 2017	Under AASB 15, an assessment of the Group's contracts with customers will be required to determine the various performance obligations in the contract before the transaction price is allocated to each component. Variable amounts of consideration are estimated and included in the transaction price using either the expected value approach or the most likely amount approach, whichever best predicts the consideration to which the Group is entitled. The Group has not yet determined the impact of the amendments, if any	1 July 2017

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 15 (cont'd)		An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.			

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2014-9	Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements	AASB 2014-9 amends AASB 127 Separate Financial Statements, and consequentially amends AASB 1 First-time Adoption of Australian Accounting Standards and AASB 128 Investments in Associates and Joint Ventures, to allow entities to use the equity method of accounting for investments in subsidiaries, joint ventures and associates in their separate financial statements. AASB 2014-9 also makes editorial corrections to AASB 127. AASB 2014-9 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	The amendments are expected to have no or minimal effect on the Group's financial report	1 July 2016

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require: (a) a full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and (b) a partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. AASB 2014-10 also makes an editorial correction to AASB 10. AASB 2014-10 applies to annual reporting periods beginning on or after 1 January 2016. Early adoption permitted.	1 January 2016	The amendments are expected to have no or minimal effect on the Group's financial report	1 July 2016

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	The subjects of the principal amendments to the Standards are set out below: AASB 5 Non-current Assets Held for Sale and Discontinued Operations: • Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change. AASB 7 Financial Instruments: Disclosures: • Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.	1 January 2016	The Group has not yet determined the impact of the amendments, if any	1 July 2016

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2015-1(cont'd)		• Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. AASB 119 Employee Benefits: • Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.			

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2015-1(cont'd)		AASB 134 Interim Financial Reporting: • Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.			
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.	1 January 2016	The Group has not yet determined the impact of the amendments, if any	1 July 2016

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

(d) Accounting standards and interpretations issued but not yet effective (cont'd)

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	The amendments are expected to have no or minimal effect on the Group's financial report	1 July 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	This makes amendments to AASB 10, AASB 12 Disclosure of Interests in Other Entities and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.	1 July 2015	The amendments are expected to have no or minimal effect on the Group's financial report	1 July 2015

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

(e) Basis of consolidation

The consolidated financial statements comprise the financial statements of Life Corporation Ltd and its subsidiaries as at and for the period ended 30 June each year (the Group). Control is achieved when the Group is exposed, or has rights, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if an only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit and loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Life Corporation are accounted for at cost in the separate financial statements of the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other revenues in the separate statement of comprehensive income of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

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

(e) Basis of consolidation (cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that unit disposal of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent’s share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate

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

(f) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the statement of comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of AASB 139, it is measured in accordance with the appropriate AASB. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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

(g) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised intended to sold or consumed in the Group's normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

  Or
- Cash of cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the Group's normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(h) Foreign currency translation

(i) *Functional and presentation currency*

Both the functional and presentation currency of Life Corporation is Singapore dollars (S$). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) *Transactions and balances*

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Differences arising on settlement or translation of monetary items are recognised in statement of comprehensive income. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

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

(h) Foreign currency translation (cont'd)

(ii) *Transactions and balances (cont'd)*

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of comprehensive income are also recognised in other comprehensive income or statement of comprehensive income, respectively).

(iii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into dollars at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in statement of comprehensive income.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

(i) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with a maturity of three months or less that are held for the purpose of meeting short term commitments and not for investment purposes and are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing borrowings in current liabilities on the statement of financial position.

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

(j) Inventories

Inventories of the Group are measured at the lower cost, on a first in first out basis, and net realisable value, and consist of finished goods and consumables used in the provision of services.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

(k) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance costs are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office equipment	-	3 to 5 years
Plant and equipment	-	3 to 10 years
Leasehold improvements	-	3 years
Motor vehicles	-	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Derecognition and disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

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

(l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is de-recognised.

(m) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

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

(m) Impairment of non-financial assets (cont'd)

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units ('CGU's) that are expected to benefit from synergies of the combination. The unit to which goodwill is allocated is as follows:

- SFS Care CGU

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill is tested for impairment annually as at 30 June and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in the statement of profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with the indefinite useful lives are tested for impairment annually as at 30 June at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(n) Convertible bond

The component of the convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On issuance of the convertible bonds, the fair value of the liability component is determined using an estimated market rate for an equivalent non-convertible bond and this amount is carried as a long-term liability on an amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. Interest on the liability component of the instrument is recognised as an expense in the statement of comprehensive income.

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

(n) Convertible bond (cont'd)

The fair value of any derivative features embedded in the convertible bond other than the equity component are included in the liability component. Subsequent to initial recognition, these derivative features are measured at fair value with gains and losses recognised in the statement of comprehensive income.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Financial instruments- initial recognition and subsequent measurement

(i) *Financial assets*

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group’s financial assets include cash and cash equivalents, other financial assets and trade and other receivables.

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

(p) Financial instruments- initial recognition and subsequent measurement (cont'd)

(i) *Financial assets (cont'd)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in the statement of comprehensive income. The losses arising from impairment are recognised in the statement of comprehensive income in finance costs for loans and in cost of sales or other operating expenses for receivables.

Available-for-sale financial investments

Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available-for-sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the statement of comprehensive income in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ”pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(p) Financial instruments- initial recognition and subsequent measurement (cont'd)

(i) *Financial assets (cont'd)*

Derecognition (cont'd)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(ii) *Impairment of financial assets*

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred ”loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and when observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

<u>Financial assets carried at amortised cost</u>

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR

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

(p) Financial instruments- initial recognition and subsequent measurement (cont'd)

(ii) *Impairment of financial assets (cont'd)*

Financial assets carried at amortised cost (cont'd)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of comprehensive income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. ”Significant” is evaluated against the original cost of the investment and ”prolonged” against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of comprehensive income – is removed from other comprehensive income and recognised in the statement of comprehensive income. Impairment losses on equity investments are not reversed through the statement of comprehensive income; increases in their fair value after impairment are recognised directly in other comprehensive income.

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

(p) Financial instruments - initial recognition and subsequent measurement (cont'd)

(iii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payable, loans and borrowings, convertible bond and derivative financial liability.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 139 are satisfied. The Group designated its derivative financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in the finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer Note 4.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

(p) Financial instruments - initial recognition and subsequent measurement (cont’d)

(iii) *Financial liabilities (cont’d)*

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and liabilities simultaneously.

(q) Non-current assets and disposal groups held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of comprehensive income.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

(r) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Rendering of services

Revenue from the provision of funeral services is recognised by reference to the stage of completion of the services deliverables in respect of a particular client. Consideration received in advance is recognised as deferred revenue until the service is delivered, at which point, revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to buyer, usually on the delivery of goods.

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

(r) Revenue recognition (cont'd)

Interest revenue (cont'd)

Interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive income.

(s) Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

(t) Share-based payment transactions

The Group provides benefits to its employees (including key management personnel) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

Currently the company has an Options and Performance Rights Plan in place to provide these benefits. Further details of the Plan are set out in Note 26.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes Pricing Model, further details of which are given in Note 26.

In valuing equity-settled transactions, no account is taken of any conditions other than those linked to the price of the shares of Life Corporation (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).
At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Equity-settled awards granted by Life Corporation to employees of subsidiaries are recognised in the parent's separate financial statements as an additional investment in the subsidiary with a corresponding credit to equity. These amounts are eliminated on consolidation.

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

(t) Share-based payment transactions (cont'd)

As a result, the expense recognised by Life Corporation in relation to equity-settled awards only represents the expense associated with grants to employees of the parent. The expense recognised by the Group is the total expense associated with all such awards.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so.
If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(u) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of comprehensive income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

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

(v) Taxes

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case, a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

(v) Taxes (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the sales tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the taxation authority.

(w) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities in respect of employee service up to the reporting date for wages and salaries and annual leave expected to be wholly settled within 12 months of the reporting date, are measured at their nominal values using the remuneration rate due to apply at the time of settlement. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Any provision made in respect of long service leave and annual leave which is not expected to be wholly settled within 12 months is measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date using the projected unit credit method.

(x) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

(y) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, divided by the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares.

(z) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

(aa) Fair value measurement

The Group measures financial instruments such as derivative at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

  Or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participant would use when pricing the asset or liability, assuming that market participant act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the used of unobservable inputs.

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

(aa) Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) as the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3. Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements at the end of the reporting period. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.
Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

3. Significant accounting judgments, estimates and assumptions (cont'd)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Allowance for impairment loss on trade receivables

Where receivables are outstanding beyond the normal trading terms, the likelihood of the recovery of these receivables is assessed by management. Due to the large number of debtors, this assessment is based on supportable past collection history and historical write-offs of bad debts. Details of the impairment loss allowance are outlined in Note 7.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for equipment). In addition, the condition of the assets are assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in Note 10.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Variations to expected future cash flows, and timing thereof, could result in significant changes in the recoverable amount, which in turn could impact future financial results. The key assumptions used to determine the recoverable amount for the CGUs are disclosed and further explained in Note 15.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial positions cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the binomial tree model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. See Note 12 for further disclosures.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flow. The key assumptions take into consideration the probability of meeting the performance hurdles within specific period. See Note 12 for further disclosures.

3. Significant accounting judgments, estimates and assumptions (cont'd)

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has tax loss carry forwards amounting to S$2,266,000 (2014: S$1,539,000). These losses relate to subsidiaries that have a history of losses, do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiary has no taxable temporary differences or any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. Further details on taxes are disclosed in Note 6.

4. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group has other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management processes and initiatives. The Group manages its financial risks to support the delivery of the Group's financial targets whilst protecting future financial security.

The Board reviews and agrees management's processes for managing each of these risks as summarised below. The Company believes that it is crucial for all Board members to be a part of this process.

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's key exposure to cash flow variable interest rate risk is from the Group's cash and cash equivalents and other financial assets which relate to term deposits of varying maturities and variable interest rates during the financial year. The details of cash balances required to meet short term commitments is disclosed in Note 31.

The Group has cash balances placed with reputable banks and financial institutions. The Group manages its interest rate risks on its interest income by placing cash balances in deposits of varying maturities to access the strongest interest rates available and conserve the capital base of those funds.

At the reporting date the financial assets and liabilities of the Group that were exposed to variable interest rate that are not designated in a cash flow hedge is cash and cash equivalent amounting to S$5,864,000 (2014: S$2,313,000), derivative financial liability of S$1,224,000 (2014: S$Nil) and the contingent consideration of S$ Nil (2014: S$200,000).

Movements in interest rates will therefore have an impact on the Company and the Group. At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit/loss and equity would have been affected as follows:

	Net profit Higher/ (Lower)		**Other comprehensive income Higher/ (Lower)**	
	2015	**2014** (Restated)	**2015**	**2014** (Restated)
	S$'000	S$'000	S$'000	S$'000
Judgements of reasonably possible movements *:				
+ 1% (2014: +1%)	71	25	71	25
- 0.5% (2014: -0.5%)	(35)	(13)	(35)	(13)

* The rate applied in 2015 is based on management expectations.

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

Foreign currency 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in different currency from the respective functional currency).

Prior to 1 July 2014

The functional currency of most operations was Australian dollars. The Group was principally exposed to foreign exchange risk on those financial instruments denominated in Singapore dollar, held by entities with an Australian dollar functional currency.

Subsequent to 1 July 2014

Life Corporation Ltd and its subsidiaries has experienced a period of growth in Singapore dollar revenue stream after the acquisition of SFS Care Pte Ltd was completed in FY14. In current year, the Company increased its Singapore dollars debts significantly. Consequently, the directors had determined that the functional currency of the Company and certain subsidiaries is Singapore dollars. As a result, operations within the Group are exposed to foreign currency risk arising from transactions and balances denominated in currencies other than Singapore dollar. Monetary items denominated in currencies other than the functional currency are translated into Singapore dollar equivalents and any associated gain or loss is taken to the income statement.

The table below shows the financial instruments by currency. The Group is principally exposed to foreign exchange risk on those financial instruments denominated in currencies other than Singapore dollar.

	30 June 2015(1)			**30 June 2014 (Restated)(2)**		
	AUD S$'000	Others S$'000	Total S$'000	SGD S$'000	Others S$'000	Total S$'000
Financial assets						
Cash	96	145	241	2,088	146	2,234
Financial liabilities						
Contingent consideration	–	–	–	200	–	200
Derivative liability	1,224	–	1,224	–	–	–

(1): Currency exposure exits in respect of balances denominated in currencies other than Singapore dollar.

(2): Foreign exchange exposures for the comparative period were translated into Singapore dollar for presentation purpose.

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

Foreign currency risk (cont'd)

The following table summarises the sensitivity of the balance of financial instruments held at the reporting date to movement in the exchange rate of the Singapore dollar to the Australian dollar, with all other variables held constant.

The derivative financial liability is sensitive to the changes in the A$/S$ exchange rate. The table below outlines the impact a change in the AUD exchange rate has on the fair value of the derivative financial liability.

	Net profit Higher/ (Lower)		**Other comprehensive income Higher/ (Lower)**	
	2015(2)	**2014** (Restated)(1)	**2015**(2)	**2014** (Restated)(1)
	S$'000	S$'000	S$'000	S$'000
Judgements of reasonably possible movements *:				
+ 5% (2014: 5%)	(56)	92	–	–
- 5% (2014: 5%)	56	(92)	–	–

(1): Prior to 1 July 2014, the sensitivity was related to financial instruments denominated in Australian dollars, held by entities with Singapore dollar functional currency. 2014 figures have been translated into Singapore dollar for presentation purposes following the change in presentation currency to Singapore dollar.

(2): Subsequent to 1 July 2014, the sensitivity is related to financial instruments denominated in Australian dollars.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise mainly of cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group’s primary bankers are DBS Ltd and Commonwealth Bank of Australia, with whom the Group’s operating accounts are held. The directors consider these financial institutions, which have ratings of at least A from Standard & Poor’s, to be appropriate for the management of credit risk with regards to funds on deposit.

Trade receivables comprise amount due from individual and given the nature of the services and the highly short-term nature of trade debtors subsequent to service delivery, the Group does not perform credit checks so can potentially subject to credit risks. To mitigate such risks, receivable balances are monitored on regular basis with the result that the Group’s exposure to bad debts to date has not been significant. An impairment analysis is performed at each reporting date on an individual basis for all outstanding clients. Except for the matters above, there are no significant concentrations of credit risk within the Group.

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

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain adequate funding to meet the operating requirements of the business and to facilitate the Group's ongoing growth plans.

The Group's liquidity risk management policy is to maintain sufficient liquid financial assets.

At reporting date, the Group has cash and cash equivalents and term deposits of S$5,864,000 with no outstanding interest bearing loans. Hence, the Group's exposure to liquidity risk is minimal.

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments.

Year ended 30 June 2015

		Cash flows		
	Carrying amount	**Total contractual cash flows**	**Within 1 year**	**Within 2 to 5 years**
	S$'000	S$'000	S$'000	S$'000
Trade and other payables	1,439	1,439	1,439	–
Finance lease liability	145	145	93	52
Convertible bond	1,189	8,205	540	7,665
	2,773	9,789	2,072	7,717

Year ended 30 June 2014 (Restated)

		Cash flows		
	Carrying amount	**Total contractual cash flows**	**Within 1 year**	**Within 2 to 5 years**
	S$'000	S$'000	S$'000	S$'000
Trade and other payables	1,031	1,031	1,031	–
Finance lease liability	145	145	93	52
Contingent consideration	200	200	200	–
	1,376	1,376	1,324	52

Refer to Note 12 for details regarding fair value measurement of financial instruments.

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

Equity price risk

The fair value of derivative financial liability is susceptible to market price list arising from uncertainties about the future value of the Company's listed price. At the reporting date, the exposure to fair value of derivative financial liability is S$1,224,000. The table below outlines the impact of a changed in Company's listed price has on the fair value of derivative financial liability.

	Change in share price	Effect on profit before tax S$'000	Effect on equity S$'000
2015	+10%	(315)	–
	-10%	311	–

5. Revenue and expenses

	2015	2014 (Restated)
	S$'000	S$'000
(a) ***Revenue***		
Revenue from the rendering of services	3,112	2,120
Revenue from sale of goods	1	47
Other revenue		
Interest revenue	2	3
Referral fee	5	27
Total revenue	3,120	2,197
Other income		
Sundry income	99	58
Foreign exchange gain	90	–
Gain on measurement of contingent consideration at fair value	200	–
Net unrealised gain on remeasurement of derivative financial liability at fair value (refer to note 16)	4,113	–
	4,502	58
Total revenue and other income	7,622	2,255
(b) ***Expenses***		
Included in cost of sales		
Cost of inventories recognised as an expense	148	94
Employee benefits expenses:		
- Wages and salaries	505	322
	505	322
Included in financing costs		
Interest on convertible bond	526	–
Included in administration expenses		
Depreciation of plant and equipment	179	108
Operating lease rental expenses	246	172
Employee benefits expense:		
- Wages and salaries	1,548	1,210
- Defined contribution plan expense	160	96
	1,708	1,306
Other expenses:		
- Legal and professional	1,070	676
- Travel	87	184
- Consultancy	43	27
- Advertising and promotion	102	94
- Impairment allowance on trade receivables	–	30
- Impairment loss on goodwill (refer to note 15)	6,336	–

6. Income tax

The major components of income tax expense for the years ended 30 June 2015 and 30 June 2014:

	2015	2014
		(Restated)
	S$'000	S$'000
Current income tax:		
Current income tax charge	13	17
Current income tax benefit	(15)	(15)
Adjustment in respect of current income tax of previous year	(8)	5
Deferred tax:		
Relating to origination/(reversal) of temporary differences	7	8
Adjustment in respect of current deferred tax of previous year	(4)	–
Income tax (benefit)/expense reported in the statement of comprehensive income	(7)	15

A reconciliation between tax (benefit)/expense and the product of accounting loss before tax multiplied by the Group's applicable income tax rate for the year ended 30 June 2015 and 2014 is as follows:

	2015	2014
Loss before tax from continuing operations	(5,531)	(2,575)
Loss before tax from discontinued operations	–	(417)
Total accounting loss before income tax	(5,531)	(2,992)
Income tax benefit calculated at the Company's statutory income tax rate of 30% (2014: 30%)	(1,659)	(898)
Expenses not deductible for tax purposes	1,990	351
Income not subject to tax	338	(18)
Tax losses not previously recognised	(1,234)	–
Tax losses and temporary differences not brought to account as deferred tax asset	555	495
Differences in tax rates in Singapore	88	153
(Over)/under provision in prior years	(12)	5
Effect of partial exemption	(73)	(71)
Others	–	(2)
Income tax (benefit)/expense	(7)	15

6. Income tax (cont'd)

	Current income tax 2015	Deferred income tax 2015	Current income tax 2014 (Restated)	Deferred income tax 2014 (Restated)
	S$'000	S$'000	S$'000	S$'000
Opening balance	(67)	(462)	(1)	-
Charged to income	(5)	(3)	(17)	(8)
Other payments	45	-	4	-
Acquisition of a subsidiary	-	-	(53)	(454)
	(27)	(465)	(67)	(462)

Deferred tax

	Statement of financial position 2015	Statement of financial position 2014 (Restated)
	S$'000	S$'000
Deferred income tax at 30 June relates to the following:		
Deferred tax (assets)/liabilities - Singapore		
Accelerated depreciation: plant and equipment	107	104
Intangible assets	358	358
	465	462

		(Restated)
	S$'000	S$'000
Deferred income tax at 30 June relates to the following:		
Deferred tax (assets)/liabilities - Australia		
Net unrealised gain on remeasurement of derivative financial liability	1,234	-
Tax losses recognised	(1,234)	-
	-	-

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The taxation benefits of certain tax losses and temporary differences have not been brought to account since it is not probable whether future assessable income would be derived of a nature and of an amount sufficient to enable the benefits from the deductions to be realised.

The deferred tax assets arising from tax losses not brought to account is S$16,404,000 (2014: S$17,460,000).

6. Income tax (cont'd)

Deferred tax (cont'd)

Deferred tax assets not recognised	**2015**	**2014**
		(Restated)
	S$'000	S$'000
Revenue tax losses – Australia	16,111	17,345
Revenue tax losses – Indonesia	6	113
Revenue tax losses – Other countries	287	2
Deferred tax assets not recognised	16,404	17,460

7. Trade and other receivables

	2015	**2014**	**1 July 2013**
		(Restated)	(Restated)
	S$'000	S$'000	S$'000
Current			
Trade receivables	298	101	16
Allowance for impairment loss	(53)	(53)	(16)
	245	48	–
Goods and services tax (GST) receivable	92	86	96
Interest and other receivables	156	129	3,902
	493	263	3,998

Terms and conditions

Terms and conditions relating to the above financial instruments are as follows:

(i) Trade receivables are non-interest bearing and generally on cash on delivery terms.

(ii) Other receivables are non-interest bearing and have repayment terms between 30 and 90 days.

As at 30 June 2015, current trade receivables of S$53,000 (2014: S$53,000) were impaired and fully provided for. See below for the movements in the impairment allowance account for receivables:

	2015	**2014**
		(Restated)
	S$'000	S$'000
At 1 July	53	16
Acquisition of a subsidiary	-	7
Charge for the year	-	30
Exchange rate adjustment	-	-
At 30 June	53	53

7. Trade and other receivables (cont'd)

At 30 June, the ageing analysis of current trade receivables is as follows:

		Total	Neither past due nor impaired	Past due but not impaired			
				<30 days	31 – 60 days	61 – 90 days	>90 days
		S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2015	Consolidated	245	31	192	2	3	17
2014	Consolidated	48	3	37	–	–	8

Receivables past due but not impaired is S$214,000 (2014: S$45,000). All of the customers are individuals. The business development managers have been in direct contact with the relevant customer and are satisfied that payment will be received in full.

Other balances within trade and other receivables, other than those stated above, do not contain impaired assets and are not past due. It is expected that these balances will be received when due.

Fair value

Due to the short term nature of current receivables, their carrying value net of impairment is assumed to approximate their fair value.

Foreign exchange and credit risk

Refer to Note 4 for details regarding the risk exposures arising from financial assets.

8. Inventories

Inventories of the Group consisted of finished goods carried at cost that are used when rendering the funeral service.

9. Investment in associate

In FY2014, the Group's equity stake in Cytomatrix Pty Ltd was diluted from 25.6% to 16.5% due to additional shares issued by Cytomatrix Pty Ltd. The dilution of percentage ownership and lack of Board representation has resulted in the Group having no significant influence over the policy making process of Cytomatrix Pty Ltd. The investment in Cytomatrix hence ceases to be classify as investment in associate, and has been reclassified as an available for sale financial asset as at 30 June 2014. There is no additional or disposal of the equity stake in Cytomatrix Pty Ltd as at 30 June 2015.

10. Plant and equipment

	2015	**2014**	**1 July 2013**
		(Restated)	(Restated)
	S$'000	S$'000	S$'000
Leasehold improvements			
At cost	14	14	–
Accumulated depreciation	(5)	–	–
	9	14	–
Office equipment			
At cost	844	818	768
Accumulated depreciation	(761)	(730)	(719)
	83	88	49
Furnitures & fittings			
At cost	8	–	–
Accumulated depreciation	(1)	–	–
	7	–	–
Motor vehicles			
At cost	1,199	718	–
Accumulated depreciation	(752)	(142)	–
	447	576	–
Total plant and equipment			
At cost	2,065	1,550	768
Accumulated depreciation	(1,519)	(872)	(719)
Total written down amount	546	678	49

10. Plant and equipment (cont'd)

Reconciliation of carrying amounts at the beginning and end of period

	2015	**2014** (Restated)	**1 July 2013** (Restated)
	S$'000	S$'000	S$'000
Leasehold improvements			
Net carrying amount at beginning	14	–	41
Additions	–	14	46
Eliminated on disposal of subsidiaries	–	–	(44)
Depreciation expense	(5)	–	(39)
Exchange rate adjustment	–	–	(4)
	9	14	–
Office equipment			
Net carrying amount at beginning	88	49	274
Additions	46	67	112
Acquisition of a subsidiary	–	11	–
Disposals	(7)	–	(5)
Eliminated on disposal of subsidiaries	–	–	(132)
Depreciation expense	(44)	(39)	(185)
Exchange rate adjustment	–	–	(15)
	83	88	49
Furniture & fittings			
Net carrying amount at beginning	–	–	–
Additions	8	–	–
Depreciation expense	(1)	–	–
	7	–	–
Plant and equipment			
Net carrying amount at beginning	–	–	404
Additions	–	–	161
Eliminated on disposal of subsidiaries	–	–	(374)
Depreciation expense	–	–	(164)
Exchange rate adjustment	–	–	(27)
	–	–	–

10. Plant and equipment (cont'd)

	2015	2014 (Restated)	1 July 2013 (Restated)
	S$'000	S$'000	S$'000
Motor vehicles			
Net carrying amount at beginning	576	–	–
Additions	–	81	2
Acquisition of a subsidiary	–	566	–
Eliminated on disposal of subsidiaries	–	–	(2)
Depreciation expense	(129)	(71)	–
	447	576	–

The carrying value of motor vehicles held under hire purchase contracts as at 30 June 2015 was S$387,000 (2014:S$500,000). Assets under hire purchase contracts are pledged as security for the related hire purchase liabilities.

There are no other encumbrances over the fixed assets of the Group.

11. Trade and other payables

	2015	2014 (Restated)	1 July 2013 (Restated)
	S$'000	S$'000	S$'000
Trade payables	140	201	37
Goods and services tax (GST) payable	67	52	4
Non-trade payables and accruals	1,218	764	1,717
Provision for reinstatement cost	14	14	–
Contingent consideration payable (note 12)	–	200	–
	1,439	1,231	1,758

Terms and conditions

Trade payables, GST payable are non-interest bearing and are normally settled on 30-60 day terms.

Non-trade payables and accruals are non-interest bearing and have repayment terms between 30-60 days.

Provision for reinstatement cost relates principally to the obligation to restore to the original state and condition of Singapore office when the lease agreement is terminated. Provisions are recognised when the obligation to restore the office premise arises.

Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value, except for contingent consideration mentioned in note 12.

Interest rate, foreign exchange and liquidity risk

Refer to Note 4 for details regarding risk exposures arising from financial liabilities.

12. Financial instruments

Fair value

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts which are reasonable approximations of fair values:

	Carrying amount		Fair value	
	2015	**2014**	**2015**	**2014**
	S$'000	**S$'000**	**S$'000**	**S$'000**
		(Restated)		(Restated)
Liabilities measured at fair value				
Contingent consideration	-	200	-	200
Derivative financial liability (note 16)	1,224	-	1,224	-
Liabilities for which fair value are disclosed				
Convertible bond (note 16)	1,189	-	3,993	-
Total	**2,413**	**200**	**5,217**	**200**

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's liabilities

Fair value measurement hierarchy for liabilities as at 30 June 2015:

		Fair value measurement using			
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
		S$'000	**S$'000**	**S$'000**	**S$'000**
Liabilities measured at fair value:					
Derivative financial liability (note 16)	30 June 2015	1,224	-	1,224	-
Liabilities for which fair value are disclosed:					
Convertible bond (note 16)	30 June 2015	3,993	-	3,993	-

There have been no transfers between Level 1, Level 2 or Level 3 during the period.

12. Financial instruments (cont'd)

Fair value hierarchy (cont'd)

Fair value measurement hierarchy for liabilities as at 30 June 2014:

		Fair value measurement using			
	Date of valuation	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
		S$'000 (Restated)	**S$'000** (Restated)	**S$'000** (Restated)	**S$'000** (Restated)
Liabilities measured at fair value:					
Contingent consideration	30 June 2014	200	-	-	200

There have been no transfers between Level 1, Level 2 or Level 3 during 2014.

The management assessed that the fair values of cash at bank, trade and other receivable, trade payables and other current liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The fair value of financial liabilities is included at the amount of which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of the convertible bond of is estimated using discounting future cash flows using bond interest rate and discount rate. The probabilities of the various estimate within the range can be reasonably assessed and are used in management's estimate of fair value of the convertible bond.
- Conversion feature of the convertible bond represents a derivative financial liability which is valued using valuation technique, i.e binomial tree model. The model incorporates various inputs including share price volatility, foreign exchange rate, and share price for the conversion.

12. Financial instruments (cont'd)

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 30 June 2014, are as disclosed below:

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Contingent consideration	DCF method	Profit after tax of SFS Care Pte Ltd in 12-month period	S$1,000,000- S$1,250,000	Increase (decrease) in the profit after tax would result in higher(lower) fair value of the contingent consideration liability
		Discount rate	**2015:**12.97% **2014**:12.97%	1% increase(decrease) in the discount rate would result in higher/(lower) fair value of the contigent consideration lialibity.

Reconciliation of fair value measurement categorised within level 3 of the fair value hierarchy:

	Contingent consideration
	S$'000
As at 1 July 2014	200
Initial recognition	-
Remeasurement recognised in profit or loss	(200)
As at 30 June 2015	**-**

Contingent consideration

As part of the acquisition of SFS Care Pte Ltd, based on the performance of SFS Care Pte Ltd, a portion of the consideration was determined to be contingent based on the performance of the acquired entity. There were additional consideration payables to the previous owner of SFS Care Pte Ltd of:

a) S$500,000, if the entity generates up to S$1,250,000 of profit after tax in a 12-month period after the completion date, or

b) S$200,000, if the entity generates more than or equal to S$1,000,000 but less than S$1,250,000 in a 12-month period after the completion date.

The fair value of the contingent consideration arrangement was estimated using a discounted cash flow method, taking into consideration the probability of the profit hurdles being achieved. As the performance hurdles for the contingent consideration were not met during the 12 month period after completion date, the contingent consideration liability was derecognised through profit or loss in FY2015.

12. Financial instruments (cont'd)

Reconciliation of fair value measurement of embedded derivative liability:

	Embedded derivative financial liability
	S$'000
As at 1 July 2014	-
Initial recognition	5,337
Remeasurement recognised in profit or loss	(4,113)
Purchases	-
Sales	-
As at 30 June 2015	**1,224**

13. Deferred revenue

	2015	2014	1 July 2013
		(Restated)	(Restated)
	S$'000	S$'000	S$'000
At 1 July	–	–	–
Deferred during the year	301	–	–
Released to profit or loss	(6)	–	–
At 30 June	295	–	–
Current	295	–	–
Non-current	–	–	–
	295	–	–

The deferred revenue refers to the sales of prepaid funeral services and products.

14. Business combinations

Information on prior year acquisition

On 1 December 2013, the Group completed the acquisition of a 100% equity interest in SFS Care Pte Ltd, an unlisted company based in Singapore, providing premium funeral services that include embalming, casket showroom, burials, facilitating multi-religion funeral rites and ceremonial services along with other ancillary services. The consideration paid included an element of contingent consideration. Refer to Note 12 for adjustments to the related liability in the current year.

From the date of acquisition, SFS Care Pte Ltd contributed S$2,194,000 of revenue and profit of S$403,000 to the loss before tax from continuing operations of the Group for the year ended 30 June 2014. If the acquisition had occurred on 1 July 2013, the Group revenues would have been S$3,405,000 and net loss after tax would have been S$2,994,000 (including costs in relation to acquisition of S$297,000).

15. Intangible assets and goodwill

	Brand	Goodwill	Total
	S$'000	S$'000	S$'000
Cost			
At 1 July 2014(restated)	2,107	6,336	8,443
Acquisition of a subsidiary	–	–	–
Exchange differences	–	–	–
At 30 June 2015	2,107	6,336	8,443
Amortisation and impairment			
At 1 July 2014 (restated)	–	–	–
Impairment	–	(6,336)	(6,336)
At 30 June 2015	–	(6,336)	(6,336)
Net book value			
At 30 June 2014(restated)	**2,107**	**6,336**	**8,443**
At 30 June 2015	**2,107**	–	**2,107**

Brand relates to the "SFS" brand name for the Group's funeral services that were acquired in the business combination in prior year. The useful life of the brand is estimated to be indefinite. As at 30 June 2015, these assets were tested for impairment.

Goodwill and the brand name with an indefinite life, acquired through a business combination, have been allocated to the SFS Care CGU for impairment testing.

Goodwill is tested for impairment annually (as at 30 June) and when circumstances indicate the carrying value may be impaired. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. The impairment indicators identified related to the unfavourable budget to actual performance during the year ended 30 June 2015. In addition, the decline in sales of funeral services have led to decreased revenue recognised compared to budgeted growth. As a result, management performed an impairment assessment as at 30 June 2015 for the funeral services business in Singapore. The recoverable amount of the funeral services business has been determined based on value in use calculations using cash flow projections from financial budget approved by management covering a five-year period plus a terminal value calculated using the Gordon Growth Model.

The projected cash flows reflect the decreased sales of the funeral services and a post-tax discount rate of 12.97% (30 June 2014: 12.97%) was applied. Cash flows beyond the five-year period have been extrapolated using a 1% growth rate (30 June 2014: 1%). Except as discussed below, all other assumptions remain consistent with those disclosed in the annual financial statements for the year ended 30 June 2014. As a result of this analysis, management recognised an impairment of S$6,336,000 against goodwill previously carried at S$6,336,000. The impairment charge is recorded within administrative expenses in the consolidated statement of comprehensive income.

15. Intangible assets and goodwill (cont'd)

Key assumptions used in value in use calculations and sensitivity to changes in assumption:

The estimated recoverable amount of the cash generating unit is equal to its carrying value of S$3,502,000. Consequently, any adverse change in key assumptions could result in a further impairment loss. The key assumptions for the recoverable amount are discussed below

- Growth rates used to extrapolate cash flows beyond the forecast period
- Discount rates

Growth rate – Rates are based on published industry research on the death rates in Singapore. Management recognizes that the possibility of new entrants and demand in premium funeral services can have significant impact on the growth rate assumptions. A reduction of 1% to nil in the long-term growth rate would result in further impairment of S$54,000 in the SFS Care CGU.

Discount rate – Discount rate of 12.97% represent the current market assessment of the risk specific to the funeral service business, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is derived from the weighted average cost of capital (WACC) of SFS Care Pte Ltd. Industry specific risk is incorporated by applying individual beta factors. A rise in post-tax discount rate to 14.2% in funeral business service would result in further impairment of S$215,000. The discount rate is adjusted by the prevailing tax rate when the undiscounted cash flows used in the valuation have been forecasted net of tax, otherwise a pre-tax rate is used. The post-tax discount rate applied to the undiscounted post-tax cash flow was 12.97% (equivalent pre-tax rate 2015: 17.53%, 2014: 17.54%).

16. Convertible bond

On 30 July 2014, the Company issued a unsecured convertible bond to GM Investment Company Ltd and Northeast Capital Pte Ltd (collectively known as "the bond holder") to finance the purchase of the lease of land in Singapore and development of the columbarium business. Under the terms of the bond, the Company granted the bond holder the right to convert the bond into fully paid ordinary shares at an exercise price of A$0.16 per share at any time after the 24 months of the issuance of the bond ("Initial Period"). If no election is made, the bond will be redeemed at the maturity date. Under the terms of the bond, the Company holds the right to early redeem the bond any time after the Initial Period at a revised interest accrual rate of 11% per annum.

Interest accrues at 9% per annum compounding annually. Interest accrued for the Initial Period will be initially capitalised to the debt then paid six months after the Initial period. Thereafter interest is payable 6 monthly in arrears.

The bond has a redemption value of S$6,000,000 and a maturity date of 5 years from the funding date.

The conversion feature represents a derivative liability and was initially recognised at fair value of S$5,337,000 and subsequently re-measured at fair value which was S$1,224,000 as at 30 June 2015 resulting in a net unrealised gain of S$4,113,000. The host debt contract was initially recognised as the residual value of S$663,000 and is subsequently measured at amortised cost which was S$1,189,000 as at 30 June 2015. The effective interest rate on the convertible bond is considered to be 86%.

16. Convertible bond (cont'd)

The fair value of the conversion feature is determined using an option pricing model which incorporates market observable inputs such as share price (A$0.10), share volatility (114%), foreign exchange rate (A$1:S$1.04) and is therefore sensitive to reasonably possible changes in these inputs.

17. Loans and borrowings

During the year, the Company had secured the funding from a Singapore financial institution for the construction and commissioning of the columbarium on the lease of land in Singapore.

The funding of S$14,960,000 was to be a progressive drawdown of up to 80% of the cost for construction and commissioning of the columbarium. On completion, the facility would convert to a term loan. Interest on the facility was variable and payable monthly in arrears.

Interest was calculated at 1.25% above the Singapore financial institution's Enterprise Base Rate, which was at 4.75% per annum. As of 30 June 2015, the Enterprise Base Rate was revised to 6.35% per annum.

The construction facility was for 18 months from initial drawdown and would convert to a 7 year term loan on completion of the construction of columbarium.

The Company announced in May 2015 that the Singapore government and Eternal Pure Land Pte Ltd, the Company affiliated entity had agreed to mutually terminate the Letter of Award (including the State Lease and Building agreement) of the lease of land.

In June 2015, the Company requested to cancel the funding and with payment of cancellation fee of S$224,400 as stated in the loan facility agreement. The request was accepted by the Singapore financial institution on 1 July 2015.

As of 30 June 2015, there was no drawdown of the facility**.**

18. Assets under construction

On 8 July 2014, a wholly-owned subsidiary of Life Corporation Ltd, Eternal Pure Land Pte Ltd submitted a tender to a Singapore government statutory board to lease a land parcel for a period of 30 years for a tender consideration of S$5,200,988.

As at 31 December 2014, assets under construction totalled S$5,316,000 (30 June 2014: S$Nil) which represented the tender consideration for the parcel of land (exclusive of GST) and related expenditure on the Temple and Columbarium Development ("the Development") under construction.

The Company had announced in May 2015 that the Singapore government and Eternal Pure Land Pte Ltd, the Company's affiliated entity had agreed to mutually terminate the Letter of Award dated 17 July 2014 (including the State Lease dated 7 January 2015 and the Building Agreement dated 14 October 2014). S$5,200,988 being the tender price for the lease of land parcel and all related government and regulatory fees and expenses paid of the lease of land parcel were fully refund to Eternal Pure Land Pte Ltd on 6 May 2015.

19. Loss from discontinued operations

No components of the entity have been disposed of in the previous reporting period. The loss from discontinued operations related to a disposal of a group of subsidiaries that discontinued during the year ended 30 June 2013.

20. Contributed equity

	2015	**2014**	**1 July 2013**
		(Restated)	(Restated)
	S$'000	S$'000	S$'000
70,960,655 (2014: 70,960,655) fully paid ordinary shares	94,137	94,137	90,838
Fully paid ordinary shares :			
Balance at beginning of financial year - 70,960,655 (2014: 57,562,653) fully paid ordinary shares	94,137	90,838	90,838
Issue of shares during the year - Nil (2014: 13,398,002) fully paid ordinary shares	-	3,299	-
Balance at end of financial year	94,137	94,137	90,838

Capital management

Capital comprise of shareholders' equity as disclosed in the statement of financial position.

The Group's objective when managing capital is to ensure that the Group continues as a going concern as well as to maintain optimal returns to shareholders and other benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity as well as to allow the Group to expand and pursue future investment activities.

To adjust the capital structure to take advantage of favourable costs of capital or high returns on assets, the Group may obtain gearing through loans and borrowings, pay dividends to shareholders, return capital to shareholders or issue new shares. The Group is currently primarily equity-funded and raises capital from the market.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2015 and 30 June 2014.

21. Reserves

Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

Employee equity benefits reserve

The employee equity benefits reserve is used to record the value of share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 26 for further details of this Plan.

Other reserve

When the Company purchased non-controlling interests in PT Cordlife Indonesia and Cordlife (Hong Kong) Ltd in prior years, this reserve was used to record the consideration paid in excess of the carrying value of the non-controlling interest.

Convertible bond reserve

This reserve is used to record the equity portion of the convertible bond net of transaction costs.

22. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible ordinary shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income used in the basic and diluted earnings per share computations:

	2015	**2014**
		(Restated)
	S$'000	S$'000
Net loss attributable to members for basic loss	(5,524)	(3,007)
Add: Interest on convertible bond debt	526	–
Less: Unrealised gain on derivative financial liability (conversion feature)	(4,113)	–
Net loss attributable to members for diluted loss	(9,111)	(3,007)

22. Earnings per share (cont'd)

	2015	**2014**
	'000	'000
Weighted average number of ordinary shares for basic earnings per share	70,961	65,051
Effect of dilution:		
Convertible bond	33,053	–
Weighted average number of ordinary shares adjusted for the effect of dilution	104,014	65,051

Total anti-dilutive options which could be dilutive in the future amounts to nil at 30 June 2015 (2014: Nil).

There have been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

23. Commitments

Operating lease commitments

Operating leases relate to office premises with lease terms of between 2 to 3 years, with an option to extend for a further 1 to 3 years. All operating lease contracts contain market review clauses in the event that the consolidated entity exercises its option to renew. The consolidated entity does not have an option to purchase the leased asset at the expiry of the lease period.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	2015	**2014**
		(Restated)
	S$'000	S$'000
Within one year	239	197
After one year and not more than 5 years	85	286
More than 5 years	–	–
	324	483

24. Controlled entities

Name of company	Country of incorporation	Percentage of equity held by the Parent	
		2015	2014
		%	%
Parent entity			
Life Corporation Ltd	Australia		
Controlled entities			
Life Corporation International Pte Ltd+	Singapore	100	100
Life Corporation Services (S) Pte Ltd	Singapore	100	100
Cordlife Pty Ltd	Australia	100	100
Cordlife Sciences Ltd	Thailand	100	100
CyGenics (Thailand) Ltd#*	Thailand	49	49
PT Cordlife Indonesia+*	Indonesia	65	65
CLS Services B.V	Europe	100	100
SFS Care Pte Ltd +	Singapore	100	100
Eternal Pure Land Pte Ltd +	Singapore	100	100

+ Investments held directly or indirectly by Life Corporation Services (S) Pte Ltd

Cygenics (Thailand) Ltd is considered a controlled entity as Life Corporation Ltd has 99% of the voting rights and share of profit

* Entities were dormant during the year

25. Parent entity information

	Company		
	2015	**2014**	**1 July 2013**
		(Restated)	(Restated)
	S$'000	S$'000	S$'000
Information relating to Life Corporation Ltd:			
Current assets	9,503	2,831	1,415
Total assets	10,139	3,555	2,135
Current liabilities	3,680	2,900	1,577
Total liabilities	6,093	2,900	1,577
Issued capital	94,137	94,137	90,838
Accumulated losses	(96,267)	(99,731)	(96,485)
Employee equity benefits reserve	4,358	4,358	4,358
Convertible bond reserve	4,146	4,146	4,146
Foreign currency translation reserve	(2,328)	(2,255)	(2,299)
Total shareholders' equity	4,046	655	558
Profit/(loss) of the parent entity	3,464	(3,246)	-
Total comprehensive income of the parent entity	3,464	(3,246)	-

There are no guarantees provided by the parent entity to its subsidiaries as at 30 June 2015. There are no contingencies for the parent entity as at 30 June 2015.

26. Share-based payment plan

(a) *Recognised share-based payment expense*

The expense recognised during the year is as follows:

	2015	**2014**
	$'000	$'000
Expense arising from equity-settled share-based payment transactions	–	–

(b) *Type of share-based payment plan*

An equity incentive plan, the Options and Performance Rights Plan ("Plan") was introduced on 23 November 2005 at the Company's Annual General Meeting to foster an ownership culture within the consolidated entity and to motivate employees and directors to achieve performance targets of their respective business units. The Plan was administered by the Remuneration Committee up until 30 January 2009 and subsequent to this date it is now administered by the Board. The directors and employees of Life Corporation Ltd and its controlled entities are eligible to participate in the Plan, at the absolute discretion of the Board of Directors.

The number of ordinary shares in the Company acquired or subscribed for or issued upon exercise of a performance right or option under the Plan must not, when aggregated with any other ordinary shares issued under the Plan in the Company held by the participating directors or executives, exceed 10% of the total ordinary shares in the Company issued at the time of issue of the performance rights or options.

26. Share-based payment plan (cont'd)

(b) *Type of share-based payment plan (cont'd)*

In 2007, performance rights allocations were made to employees. Each allocation comprised three tranches and each tranche covered a financial year (2006, 2007, 2008). The vesting of each tranche is dependent on the meeting of Key Result Areas (KRAs) and a service period of each individual. The KRAs relate to financial and non-financial corporate and individual measures of performance. Typically included are measures such as contribution to revenue based on client sign-ups, customer service, risk management, product management and leadership contributions. These measures were chosen as they represent the key drivers for success of the business and provide a framework for delivering long-term value. On termination of employment, the unvested performance rights lapse immediately.

On an annual basis, management and the Board, in line with their responsibilities, determine for each employee whether they have met their performance vesting conditions. This process usually occurs within 3 months after the reporting date.

During the year, the Plan was inactive (2014: inactive).

There was no share-based payment plan transactions during the year ended 30 June 2015.

There were no new options granted for the year ended 30 June 2015.

(c) Summary of options granted under the Plan

The following table illustrates the number of and movements in share options and rights issued during the year:

	2015	**2014**
Outstanding at the beginning of the year	–	–
Granted during the year	–	–
Expired during the year	–	–
Rounding adjustment	–	–
Outstanding at the end of the year	–	–
Exercisable at the end of the year	–	–

(d) *Weighted average exercise price*

The weighted average exercise price is $Nil (2014: $nil) as stipulated in the Options and Performance Rights Plan.

(e) *Weighted average fair value*

There were no options granted in 2015.

(f) *Weighted average remaining contractual life*

There is no share option outstanding as at 30 June 2015.

26. Share-based payment plan (cont'd)

(g) *Option pricing model*

As there are no market based performance hurdles attached to any of the share options issued to date and, the exercise price is $nil (2014: $nil), the value of each share option issued is equivalent to the share price on day of grant.

27. Segment information

The Group identified its operating segments based on the internal reports that were reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

On 29 November 2013, the shareholders of the Company approved the acquisition of SFS Care Pte Ltd. Accordingly, the Group now operates within the premium funeral and related services sector in the Singaporean market and has been organised into one main operating segment. All of the Group's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating disclosures are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole. The Group now operates from one geographical location, being Singapore.

In 2015, there were no major customers who individually accounted for more than 10% of revenue. All revenue during the year was generated by customers domiciled in Singapore. All non-current assets stated in the balance sheet are located in Singapore.

The Group’s revenue by products and services have been disclosed at note 5(a).

28. Related party disclosure

(a) *Equity interests in related parties*

Equity interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 24 to the financial statements.

(b) *Related party balances*

Refer to Notes 7 and 11 for information regarding outstanding related party balances at 30 June 2015. There are no related party balances as at 30 June 2015.

(c) *Key management personnel*

Details relating to key management personnel, including remuneration paid, are included in Note 29.

(d) *Loans to key management personnel*

No interest-free loans were provided during the year.

29. Key management personnel disclosures

Details of key management personnel

Directors:

Samuel Kong	(Chairman, non-executive) (Appointed as Chairman on 23 January 2015
Simon Hoo	(Director, executive)
Kenneth Lim	(Director, executive)
Victor Hoo	(Director, executive)
Kam Yuen	(Director, non-executive) (Resigned as Chairman on 23 January 2015
Mark Ryan	(Director, non-executive)
Voiron Chor	(Director, non-executive)

Executives:

Hoo Hung Chye	(Client Service Director)
Fexlicia Lee Pei Yue	(Group Financial Controller)
Andrew Lord	(Corporate Secretary)

Compensation of key management personnel

	Consolidated	
	2015	**2014**
		(Restated)
	S$	S$
Short-term employee benefits	1,100,695	819,868
Long-term employee benefits	5,153	2,950
Post Employment benefits	73,058	43,866
	1,178,906	866,684

Option/rights holdings of key management personnel

In prior years, all options/rights held by key management personnel were fully exercised. There are no options/rights granted to key management personnel during the financial year ended 30 June 2015.

30. Events after reporting date

There has no been any matter or circumstances that has arisen since the end of the reporting period that has significantly affected, or may significantly affect, the operations of the consolidated entities, the results of those operations, or the state of affairs of the consolidated entities in future financial periods.

31. Notes to the statement of cash flows

	2015	2014 (Restated)
	S$'000	S$'000
(a) *Reconciliation of cash and cash equivalents to statement of cash flows*		
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and in hand	5,864	2,313
Cash and cash equivalents	5,864	2,313

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value.

The Group does not have any bank overdraft financing facilities as at 30 June 2015.

(b) Reconciliation of net loss for the year after related income tax to net cash flows from operating activities:

	2015	2014 (Restated)
	S$'000	S$'000
Net loss for the year	(5,524)	(3,007)
Adjustments to reconcile loss before tax to net cash flow:		
Depreciation and amortisation of non-current assets	179	110
Impairment on intangibles and goodwill	6,336	–
Fair value adjustment of contingent consideration	(200)	–
Net unrealised gain on derivative financial liability	(4,113)	–
Impairment loss on trade receivables	–	30
Loss on disposal of plant and equipment	4	–
Interest expense on convertible bond	526	–
Exchange differences	(79)	2
Working capital adjustments:		
Decrease/(Increase) in assets:		
Receivables	(221)	470
Inventories	24	(27)
Increase/(Decrease) in liabilities:		
Payables	697	(747)
Cash outflow from operating activities	**(2,371)**	**(3,169)**
Income tax paid	(45)	(4)
Net cash used in operating activities	**(2,416)**	**(3,173)**

32. Remuneration of auditors

	2015	2014 (Restated)
	S$	S$
The auditor of Life Corporation Ltd is Ernst & Young		
Amounts received or due and receivable by Ernst & Young (Australia) for:		
Audit or review of the financial report of the entity and any other entity in the consolidated group	127,622	116,842
Other service in relation to the entity and any other entity in the consolidated group:		
- Assurance related	–	20,736
	127,622	135,578
Amounts received or due and receivable by related practices of Ernst & Young (Australia) for:		
Audit or review of the financial report of the entity and any other entity in the consolidated group	116,000	104,127
Tax compliance services	7,469	9,395
Transaction advisory services	–	35,310
	123,469	148,832
	251,091	284,410
Amounts received or due and receivable by non Ernst & Young audit firms for:		
Audit of financial report and tax services	–	–

33. Dividends

The Company did not pay any dividends during the financial year. The directors do not recommend the payment of a dividend in respect of the financial year.

Adjusted franking account balance (tax paid basis) is nil (2014: nil).

Additional Stock Exchange Information as at 18 September 2015

Number of holders of equity securities

Ordinary share capital

70,960,655 fully paid ordinary shares are held by 562 individual shareholders.
All issued ordinary shares carry one vote per share.

Distribution of holders of equity securities

	Fully paid ordinary shares
1 - 1,000	112
1,001 - 5,000	129
5,001 - 10,000	145
10,001 - 100,000	145
100,001 and over	31
	562
Holding less than a marketable parcel	247

Securities subject to escrow

Details of number and class of securities subject to escrow that are on issue and the dates that the escrow periods end are set out below:

Fully paid ordinary shares	Date that the escrow period ends
13,398,002	10 December 2016
13,398,002	

Life Corporation Ltd

Additional Stock Exchange Information as at 18 September 2015

Substantial shareholders		
	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
Citicorp Nominees Pty Limited	14,814,865	20.88%
HSBC Custody Nominees (Australia) Limited	12,121,333	17.08%
City Challenge Global Limited	7,266,667	10.24%
	34,202,865	**48.20%**

Twenty largest holders of quoted equity securities		
	Fully paid	
Ordinary shareholders	**Number**	**Percentage**
1) Citicorp Nominees Pty Limited	14,814,865	20.88%
2) HSBC Custody Nominees (Australia) Limited	12,121,333	17.08%
3) City Challenge Global Limited	7,266,667	10.24%
4) Kwok Chye Hoo	4,486,001	6.32%
5) Hung Chye Hoo	4,486,001	6.32%
6) Fui Ping Hoo	4,486,000	6.32%
7) Wells Spring Pte Ltd	2,666,667	3.76%
8) Gold Baxter International Pte Ltd	2,053,024	2.89%
9) UOB Kay Hian (Hong Kong) Limited	1,973,471	2.78%
10) Chong Siew Hong	1,500,000	2.11%
11) UOB Kay Hian Private Limited	1,342,277	1.89%
12) Lai Na Chiu	1,235,967	1.74%
13) Tantalum Cellular Products LLC	855,658	1.21%
14) Betty Hui	833,334	1.17%
15) BS Fund Management Pte Ltd	666,667	0.94%
16) Simon Hoo Kia Wei	662,001	0.93%
17) JP Morgan Nominees Australia Limited	557,509	0.79%
18) Moh Ming Lee	488,813	0.69%
19) Tiong Aik Corporation Pte Ltd	410,172	0.58%
20) Sanya Saneh	312,919	0.44%

Company secretary

Mr Andrew Lord
Lord Commercial Lawyers
Level 10, 167 Queen Street
Melbourne, Victoria 3000
Australia
Tel: +61 (0) 3 9600 0162

Registered office and Principal administration office

Level 10, 167 Queen Street
Melbourne, Victoria 3000
Australia
Tel: +61 (0) 3 9600 0162

Share registry

Link Market Services Ltd
Level 4, 333 Collins Street
Melbourne, Victoria 3000
Australia
Tel: +61 (0) 3 9615 9932