

**RANGE INTERNATIONAL HOLDINGS LTD.**  
*(Formerly known as Range International Holdings Pte. Ltd.)*  
*(Incorporated in Singapore. Registration Number: 201023659W)*  
**AND ITS SUBSIDIARY**

**ANNUAL REPORT**  
*For the financial year ended 31 December 2015*

**RANGE INTERNATIONAL HOLDINGS LTD.**  
*(Formerly known as Range International Holdings Pte. Ltd.)*  
*(Incorporated in Singapore)*  
**AND ITS SUBSIDIARY**

**ANNUAL REPORT**  
*For the financial year ended 31 December 2015*

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**RANGE INTERNATIONAL HOLDINGS LTD.**  
*(Formerly known as Range International Holdings Pte. Ltd.)*  
**AND ITS SUBDIARY**

**DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2015*

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The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2015 and the balance sheet of the Company as at 31 December 2015.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 4 to 35 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

**Directors**

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

Mr Stewart Donald Hall	(appointed on 4 October 2012)
Mr Matthew Joseph Darby	(appointed on 4 October 2012)
Mr Lars Hvid Amstrup	(appointed on 24 July 2015)

**Arrangements to enable directors to acquire shares and debentures**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

**Directors' interests in shares or debentures**

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2015	At 1.1.2015 or date of appointment, if later	At 31.12.2015	At 1.1.2015 or date of appointment, if later
<b>Range International Holdings Ltd.</b>				
<i>(No. of ordinary shares)</i>				
Stewart Donald Hall	1,173,684	1,173,684	24,653,525	23,479,839
Matthew Joseph Darby	-	-	40,710,968	58,569,585

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**RANGE INTERNATIONAL HOLDINGS LTD.**  
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**DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2015*

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**Share options**

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

**Independent Auditor**

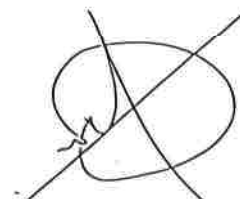
The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept appointment.

On behalf of the directors



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Stewart Donald Hall  
Director



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Matthew Joseph Darby  
Director

L 6 JUN 2016

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANGE INTERNATIONAL HOLDINGS LTD.

## Report on the Financial Statements

We have audited the accompanying financial statements of Range International Holdings Ltd. (the "Company") and its subsidiary (the "Group") set out on pages 4 to 35 which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 December 2015, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### *Auditor's Responsibility*

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

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

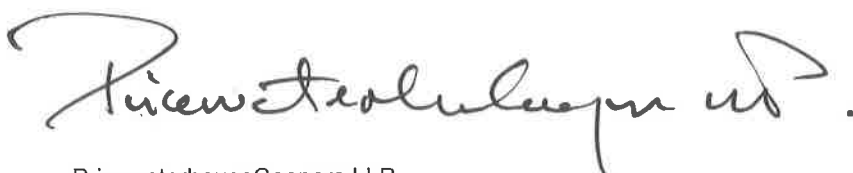
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

## Report on other Legal and Regulatory Requirements

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



PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 6 June 2016

**RANGE INTERNATIONAL HOLDINGS LTD.**  
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**AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*For the financial year ended 31 December 2015*

	Note	2015 US\$	2014 (Restated*) US\$
Revenue		347,460	217,010
Purchase and related costs		(811,547)	(570,838)
Other operating income		4,749	4,470
Depreciation of property, plant and equipment		(555,493)	(653,327)
Employee benefits	5	(1,264,860)	(413,870)
Other operating expense	4	(2,339,756)	(1,395,900)
Foreign exchange losses - net		(1,300,473)	(249,769)
Loss before income tax		(5,919,920)	(3,062,224)
Income tax expense	6	-	-
<b>Net loss</b>		<b>(5,919,920)</b>	<b>(3,062,224)</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign subsidiary		647,200	114,181
		<b>647,200</b>	<b>114,181</b>
<b>Other comprehensive income, net of tax</b>		<b>647,200</b>	<b>114,181</b>
<b>Total comprehensive loss for the year</b>		<b>(5,272,720)</b>	<b>(2,948,043)</b>
<b>Loss attributable to:</b>			
Equity holders of the Company		(5,884,028)	(3,038,742)
Non-controlling interests		(35,892)	(23,482)
		<b>(5,919,920)</b>	<b>(3,062,224)</b>
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(5,236,828)	(2,924,561)
Non-controlling interests		(35,892)	(23,482)
		<b>(5,272,720)</b>	<b>(2,948,043)</b>

\* As restated (refer to Note 18)

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

**RANGE INTERNATIONAL HOLDINGS LTD.**  
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**BALANCE SHEETS - GROUP AND COMPANY**  
*As at 31 December 2015*

	Note	2015 US\$	GROUP 2014 (Restated*) US\$	2013 (Restated*) US\$	COMPANY 2015 US\$	2014 (Restated*) US\$
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	7	4,114,590	493,487	340,152	4,101,525	285,124
Trade and other receivables	8	287,637	243,918	200,204	11,155,258	9,414,972
Inventories	9	24,338	9,329	63,096	-	-
		<u>4,426,565</u>	<u>746,734</u>	<u>603,452</u>	<u>15,256,783</u>	<u>9,700,096</u>
<b>Non-current assets</b>						
Property, plant and equipment	10	4,234,917	5,306,657	5,797,189	-	-
Investment in subsidiary	11	-	-	-	1,000,000	1,000,000
		<u>4,234,917</u>	<u>5,306,657</u>	<u>5,797,189</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total assets</b>		<u>8,661,482</u>	<u>6,053,391</u>	<u>6,400,641</u>	<u>16,256,783</u>	<u>10,700,096</u>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	12	288,922	617,226	623,889	231,922	574,628
Provision for indirect taxes		2,240,197	1,209,980	549,823	1,941,000	1,029,000
Other current liabilities		28,399	16,834	10,728	8,353	8,352
		<u>2,557,518</u>	<u>1,844,040</u>	<u>1,184,440</u>	<u>2,181,275</u>	<u>1,611,980</u>
<b>Non-current liabilities</b>						
Amounts due to third parties	13	194,324	2,421,203	1,208,550	194,324	2,421,203
Other non-current liabilities		71,157	-	-	-	-
		<u>265,481</u>	<u>2,421,203</u>	<u>1,208,550</u>	<u>194,324</u>	<u>2,421,203</u>
<b>Total liabilities</b>		<u>2,822,999</u>	<u>4,265,243</u>	<u>2,392,990</u>	<u>2,375,599</u>	<u>4,033,183</u>
<b>NET ASSETS</b>		<u>5,838,483</u>	<u>1,788,148</u>	<u>4,007,651</u>	<u>13,881,184</u>	<u>6,666,913</u>
<b>EQUITY</b>						
<b>Capital and reserves attributable to equity holders of the Company</b>						
Share capital	14	16,923,378	7,600,323	7,600,323	16,923,378	7,600,323
Additional paid-up capital		728,540	728,540	-	728,540	728,540
Accumulated losses		(12,525,504)	(6,641,476)	(3,602,734)	(3,770,734)	(1,661,950)
Currency translation reserve	15	779,764	132,564	18,383	-	-
		<u>5,906,178</u>	<u>1,819,951</u>	<u>4,015,972</u>	<u>13,881,184</u>	<u>6,666,913</u>
<b>Non-controlling interests</b>		<u>(67,695)</u>	<u>(31,803)</u>	<u>(8,321)</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>5,838,483</u>	<u>1,788,148</u>	<u>4,007,651</u>	<u>13,811,184</u>	<u>6,666,913</u>

*\*As restated (refer to Note 18)*

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**RANGE INTERNATIONAL HOLDINGS LTD.**  
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**AND ITS SUBSIDIARY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the financial year ended 31 December 2015*

	Note	Attributable to equity holders of the Company					Total equity US\$
		Share capital US\$	Additional paid-in capital US\$	Currency translation reserve US\$	Accumulated losses US\$	Total US\$	
<b>2015</b>							
<b>Beginning of financial year</b>		7,600,323	728,540	132,564	(6,641,476)	1,819,951	1,788,148
Loss for the year		-	-	-	(5,884,028)	(5,884,028)	(5,919,920)
Other comprehensive income for the year		-	-	647,200	-	647,200	647,200
<b>Total comprehensive income for the year</b>		-	-	647,200	(5,884,028)	(5,236,828)	(5,272,720)
Proceeds from shares issued		9,323,055	-	-	-	9,323,055	9,323,055
<b>Total transactions with owners, recognised directly in equity</b>		9,323,055	-	-	-	9,323,055	9,323,055
<b>End of financial year</b>		16,923,378	728,540	779,764	(12,525,504)	5,906,178	5,838,483
<b>2014</b>							
<b>(Restated*)</b>							
<b>Beginning of financial year</b>		7,600,323	-	18,383	(3,602,734)	4,015,972	4,007,651
Loss for the year		-	-	-	(3,038,742)	(3,038,742)	(3,062,224)
Other comprehensive income for the year		-	-	114,181	-	114,181	114,181
<b>Total comprehensive income for the year</b>		-	-	114,181	(3,038,742)	(2,924,561)	(2,948,043)
Surplus from equity transactions		-	728,540	-	-	728,540	728,540
<b>Total transactions with owners, recognised directly in equity</b>		-	728,540	-	-	728,540	728,540
<b>End of financial year</b>		7,600,323	728,540	132,564	(6,641,476)	1,819,951	1,788,148

\*As restated (refer to Note 18)

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



**RANGE INTERNATIONAL HOLDINGS LTD.**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**

*For the financial year ended 31 December 2015*

	2015 US\$	2014 US\$
<b>Cash flows from operating activities</b>		
Loss before income tax	(5,919,920)	(3,062,224)
Adjustments for:		
- Depreciation	555,493	653,327
- Unrealised currency translation losses	1,300,473	249,769
	<u>(4,063,954)</u>	<u>(2,159,128)</u>
Change in working capital		
- Inventories	(15,009)	53,767
- Trade and other receivables	(43,719)	(43,714)
- Trade and other payables	22,196	(6,663)
- Provision for indirect taxes	1,030,217	660,157
- Other current liabilities	11,565	6,106
- Other non-current liabilities	71,157	-
Net cash used in operating activities	<u>(2,987,547)</u>	<u>(1,489,475)</u>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(268,936)	(242,172)
Disposal of property, plant and equipment	-	131
Net cash used in investing activities	<u>(268,936)</u>	<u>(242,041)</u>
<b>Cash flows from financing activities</b>		
Receipt of capital subscription in advance	7,096,176	1,941,193
Repayment of amount due to a shareholder	(350,500)	-
Net cash provided by financing activities	<u>6,745,676</u>	<u>1,941,193</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,489,193</b>	<b>209,677</b>
<b>Cash and cash equivalents</b>		
Beginning of financial year	493,487	340,152
Effects of currency translation on consolidation	131,910	(56,342)
End of financial year	<u>4,114,590</u>	<u>493,487</u>

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

**RANGE INTERNATIONAL HOLDINGS LTD.**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2015*

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These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

**1. General information**

Range International Holdings Ltd. (the "Company") is a public company limited by shares, which is incorporated and domiciled in Singapore. The address of its registered office is 112 Robinson Road, #12-01, Singapore 068902.

The principal activity of the Company is that of investment holding and the principal activity of the subsidiary is stated in Note 11 to the financial statements.

There has been no significant change in the nature of the Group's activities during the financial year.

**2. Significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

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

The Group have only one business segment and they have been aggregated into one reportable segment in this financial statements.

***Interpretations and amendments to published standards effective in 2015***

On 1 January 2015, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Significant accounting policies (continued)**

**2.2 Revenue recognition**

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

**2.3 Group accounting**

(a) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Significant accounting policies (continued)**

**2.3 Group accounting (continued)**

**(b) Subsidiaries (continued)**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the liability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

**2.4 Property, plant and equipment**

**(a) Measurement**

**(i) Property, plant and equipment**

Items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

**(ii) Components of costs**

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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**NOTES TO THE FINANCIAL STATEMENTS**  
*For the financial year ended 31 December 2015*

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**2. Significant accounting policies (continued)**

**2.4 Property, plant and equipment**

*(b) Depreciation (continued)*

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

	<u>Useful lives</u>
Motor vehicles	7 years
Warehouse and office furniture and fixtures	3 - 5 years
Plant and equipment	10 - 30 years
Plant and machinery	4 - 10 years

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

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

*(c) Subsequent expenditure*

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All other repair and maintenance expenses are recognised in profit or loss when incurred.

*(d) Disposal*

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains/(losses) – net". Any amount in revaluation reserve relating to that item is transferred to retained profits directly.

**2.5 Investment in a subsidiary**

Investment in a subsidiary are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Significant accounting policies (continued)**

**2.6 Impairment of non-financial assets**

*Property, plant and equipment*  
*Investments in subsidiaries*

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

Finance income comprises interest income on funds placed with banks and financial institutions and fair value gains on financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest rate method.

Finance costs comprise interest expense on borrowings and fair value losses on financial assets at fair value through profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit or loss using the effective interest rate method.

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss. An impairment loss for an asset other than goodwill 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

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**2. Significant accounting policies (continued)**

**2.7 Financial assets**

*(a) Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired.

*i. Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception.

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term.

Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

*ii. Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 8) and "cash and cash equivalents" (Note 7) on the balance sheet.

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**2. Significant accounting policies (continued)**

**2.7 Financial assets**

*(b) Recognition and derecognition*

Purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

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

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

*(c) Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

*(d) Subsequent measurement*

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.



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**2. Significant accounting policies (continued)**

**2.7 Financial assets**

*(e) Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

*Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

**2.8 Offsetting of financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**2.9 Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

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**2. Significant accounting policies (continued)**

**2.10 Inventories**

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

**2.11 Income taxes**

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

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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**2. Significant accounting policies (continued)**

**2.11 Income taxes (continued)**

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

**2.12 Provisions**

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

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**2. Significant accounting policies (continued)**

**2.13 Employee compensation**

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

*(a) Defined benefit plans*

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

*(b) Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**2.14 Currency translation**

*(a) Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in US Dollars, which is the functional currency of the Company.

*(b) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

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**2. Significant accounting policies (continued)**

**2.14 Currency translation (continued)**

*(b) Transactions and balances (continued)*

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "other gains and losses".

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

*(c) Translation of Group entities' financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal of the entity giving rise to such reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

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**2. Significant accounting policies (continued)**

**2.15 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the executive management who are responsible for allocating resources and assessing performance of the operating segment.

**2.16 Cash and cash equivalents**

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

**2.17 Share capital**

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

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**3. Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical accounting estimates and assumptions**

*Uncertain tax positions*

The Group is subject to income taxes in jurisdictions they operate in. Significant judgement is required in determining income tax liabilities and value added taxes for the year ended 31 December 2015. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be recorded in profit or loss in the period such determination is made.

**4. Other operating expenses**

	2015	<u>Group</u> 2014 (Restated)
	US\$	US\$
Provision for indirect taxes	1,030,217	660,157
Professional fee	396,523	51,224
Commission	180,000	-
Travelling expense	131,031	72,362
Management fee	105,000	55,733
Others	496,985	556,424
	<u>2,339,756</u>	<u>1,395,900</u>

**5. Employee benefits**

	2015	<u>Group</u> 2014
	US\$	US\$
Wages and salaries (including defined benefits)	1,264,860	413,870

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**6. Income taxes**

Income tax expense

	2015	Group 2014 (Restated)
	US\$	US\$
Current taxation	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	2015	Group 2014 (Restated)
	US\$	US\$
Loss before tax	(5,919,920)	(3,062,224)
Tax calculated at tax rate of 17%	(1,006,386)	(520,578)
Effects of:		
- expenses not deductible for tax purposes	1,066,165	557,470
- income not subject to tax	(59,779)	(36,892)
Tax charge	<u>-</u>	<u>-</u>

**7. Cash and cash equivalents**

	Group		Company	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Cash at bank and on hand	<u>4,114,590</u>	<u>493,487</u>	<u>4,101,525</u>	<u>285,124</u>



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**8. Trade and other receivables**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	US\$	US\$	US\$	(Restated) US\$
Trade receivables				
- Non-related parties	<b>87,552</b>	49,075	-	-
Amounts due from a subsidiary	-	-	<b>11,089,923</b>	9,380,860
Prepayment	<b>110,719</b>	123,787	<b>30,476</b>	5,752
Others	<b>89,366</b>	71,056	<b>34,859</b>	28,360
	<b>287,637</b>	243,918	<b>11,155,258</b>	9,414,972

The amounts due from a subsidiary are non-trade, unsecured, repayable on demand and accrues interest based on LIBOR+5.00%.

The average credit period of trade receivables is from 30 to 90 days (2014: 30 to 90 days).

There are no financial assets that are either past due or impaired.

**9. Inventories**

	<u>Group</u>	
	2015	2014
	US\$	US\$
Raw materials	<b>24,338</b>	9,329

The cost of inventories recognised as an expense and included in "Purchases and related costs" amounted to \$811,547 (2014: \$570,838).

Management reviews an ageing analysis at each reporting date, and makes allowance for obsolete and slow-moving inventory items that are identified as obsolete and slow-moving, if any. Management estimates the net realisable value for goods for resale based primarily on the latest selling prices and current market conditions. There are no obsolete and slow-moving inventory items as at financial year end.

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**10. Property, plant and equipment**

	Motor vehicles US\$	Warehouse and office furniture and fixtures US\$	Plant and equipment US\$	Plant and machinery US\$	Total US\$
<b>Group</b>					
<b>2015</b>					
<i>Cost</i>					
Beginning of financial year	4,997	64,579	901,264	5,042,023	6,012,863
Translation differences	(612)	(7,104)	(339,313)	(618,801)	(965,830)
Additions	-	123,416	30,095	115,425	268,936
End of financial year	4,385	180,891	592,046	4,538,647	5,315,969
<i>Accumulated depreciation</i>					
Beginning of financial year	1,094	23,223	140,282	541,607	706,206
Translation differences	(163)	(3,414)	(86,618)	(90,452)	(180,647)
Depreciation charge	577	12,993	66,366	475,557	555,493
End of financial year	1,508	32,802	120,030	926,712	1,081,052
<b>Net book value</b>					
End of financial year	2,877	148,089	472,016	3,611,935	4,234,917

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**10. Property, plant and equipment (continued)**

	Motor vehicles	Warehouse and office furniture and fixtures	Plant and equipment	Plant and machinery	Total
	US\$	US\$	US\$	US\$	US\$
<b>Group</b>					
<b>2014</b>					
<i>Cost</i>					
Beginning of financial year	5,084	48,997	793,918	5,034,293	5,882,292
Translation differences	(87)	(838)	(13,552)	(85,942)	(100,419)
Additions	-	16,763	120,898	104,511	242,172
Disposals	-	(343)	-	(10,839)	(11,182)
End of financial year	4,997	64,579	901,264	5,042,023	6,012,863
<i>Accumulated depreciation</i>					
Beginning of financial year	477	12,856	29,006	42,764	85,103
Translation differences	(38)	(485)	(6,625)	(14,025)	(21,173)
Depreciation charge	655	11,097	117,901	523,674	653,327
Disposals	-	(245)	-	(10,806)	(11,051)
End of financial year	1,094	23,223	140,282	541,607	706,206
<b>Net book value</b>					
End of financial year	3,903	41,356	760,982	4,500,416	5,306,657

**11. Investment in a subsidiary**

	Company	
	2015	2014
	US\$	US\$
Unquoted shares, at cost	1,000,000	1,000,000

The details of the subsidiary are as below:

Name of subsidiary	Country of incorporation	Effective equity interest held by the Group	
		2015 %	2014 %
PT Enviropallets Bali*	Indonesia	99	99

\* Audited by Kantor Akuntan Publik Krisnawan, Busroni, Achsin & Alamsyah, a firm of public Accountants and Chartered Accountants, Indonesia.

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**12. Trade and other payables**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	US\$	US\$	US\$	US\$
Trade payables to:				
- Non-related parties	11,019	26,409	-	-
Amount due to a shareholder	-	350,500	-	350,500
Accrued expenses	277,903	240,317	231,922	224,128
	<b>288,922</b>	<b>617,226</b>	<b>231,922</b>	<b>574,628</b>

The average credit period of trade payables is from 30 to 90 days (2014: 30 to 90 days).

The amounts due to a shareholder is non-trade, unsecured, interest free and repayable on demand.

**13. Amounts due to third parties**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	US\$	(Restated) US\$	US\$	(Restated) US\$
Balance at the beginning of the financial year	2,421,203	1,208,550	2,421,203	1,208,550
Additions	7,096,176	1,941,193	7,096,176	1,941,193
Transfer to share capital	(9,323,055)	-	(9,323,055)	-
Transfer to additional paid-in capital	-	(728,540)	-	(728,540)
Balance at the end of financial year	<b>194,324</b>	<b>2,421,203</b>	<b>194,324</b>	<b>2,421,203</b>

Amounts due to third parties are unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future.

28,411,549 ordinary shares amounting to \$9,323,055 were issued in 2015 to the third parties by offsetting against the amounts due to them (Note 14) and is non-cash in nature.

In 2014, the Company received additional payments relating to previously issued ordinary shares from a shareholder and the amount of \$728,540 was recognised as additional paid-in capital.

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**14. Share capital**

The Company's share capital comprise fully paid-up 163,409,100 (2014: 134,997,551) ordinary shares with no par value, amounting to a total of \$16,923,378 (2014: \$7,600,323).

**15. Foreign currency translation reserve**

Foreign currency translation reserve comprises of all foreign exchange arising from the translation of the financial statements of the subsidiary to United States Dollars.

**16. Financial risk management**

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, currency risk and market risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial period, the Group's policy that no derivative and forward foreign exchange contracts shall be undertaken for hedging and speculative purposes. The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

**(a) Credit risk**

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

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to impairment of trade and other receivables is not significant.

*Exposure to credit risk*

At the balance sheet date, the Group's maximum exposure to credit risk is the carrying amount of the related financial assets presented on the balance sheet.

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**16. Financial risk management** (continued)

(a) Credit risk (continued)

*Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions which are regulated.

*Financial assets that are either past due or impaired*

Information regarding financial assets that are either past due or impaired is disclosed in Note 8.

*Credit risk concentration profile*

The Group determines concentrations of credit risk by monitoring the country of its trade and other receivables on an ongoing basis. The credit risk concentration profile of the Group's trade and other receivables (excluding prepayment) and cash and cash equivalents as at the date of the balance sheet is as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014 (Restated)	2015	2014 (Restated)
	US\$	US\$	US\$	US\$
<u>By Country</u>				
Indonesia	155,122	326,494	11,089,923	9,380,860
Singapore	4,136,385	287,124	4,136,385	287,124
	<u>4,291,507</u>	<u>613,618</u>	<u>15,226,308</u>	<u>9,667,984</u>

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Due to the dynamic nature of business, the Group also maintains flexibility in funding by ensuring that ample credit facilities and working capital lines are available at any point in time.

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**16. Financial risk management (continued)**

(b) Liquidity risk (continued)

The following are the expected contractual cash flows of financial liabilities, including interest payments and excluding the impact of netting agreements.

		Contractual cash flows (including interest payments)	
	Carrying amount US\$	Total US\$	Within 1 year US\$
<u>Group</u>			
At 31 December 2015			
Non-derivative financial liabilities			
Trade and other financial liabilities	2,628,675	2,628,675	2,557,518
At 31 December 2014			
Non-derivative financial liabilities			
Trade and other financial liabilities	1,844,040	1,844,040	1,844,040
		Contractual cash flows (including interest payments)	
	Carrying amount US\$	Total US\$	Within 1 year US\$
<u>Company</u>			
At 31 December 2015			
Non-derivative financial liabilities			
Trade and other financial liabilities	2,181,275	2,181,275	2,181,275
At 31 December 2014			
Non-derivative financial liabilities			
Trade and other financial liabilities	1,611,980	1,611,980	1,611,980

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**16. Financial risk management (continued)**

(c) Currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in Indonesian Rupiah.

The Group's exposure to currency risk is as follows:

	<u>Indonesian Rupiah IDR'000</u>	<u>US\$</u>
<u>2015</u>		
Trade and other receivables	1,460,974	103,322
Cash and cash equivalents	184,731	13,064
Trade and other payables	(805,690)	(56,979)
Provision for indirect taxes	(31,676,386)	(2,180,197)
Net liabilities	<u>(30,836,371)</u>	<u>(2,180,790)</u>
	<u>Indonesian Rupiah IDR'000</u>	<u>US\$ (Restated)</u>
<u>2014</u>		
Trade and other receivables	608,862	48,943
Cash and cash equivalents	2,585,142	207,808
Trade and other payables	(528,510)	(42,484)
Provision for indirect taxes	(15,052,152)	(1,209,980)
Net liabilities	<u>(12,386,658)</u>	<u>(995,713)</u>

*Sensitivity analysis*

A 10% strengthening of US against Indonesian Rupiah as at 31 December 2015, with all other variables held constant, will result in a decrease in the Group's loss before tax of \$198,254. Conversely, a 10% weakening of US dollar against Indonesian Rupiah will result in an opposite impact on profit before tax of a similar amount.

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.



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**16. Financial risk management (continued)**

(e) Fair value measurements

The carrying values of the financial assets and financial liabilities carried at amortised cost approximate their fair values as they are short term in nature or reprice within 12 months. The fair values of quoted investments are determined directly by reference to their quoted bid prices as at balance sheet date.

(f) Capital risk

The Group's primary objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets or reduce liabilities.

The Group defines "capital" as including all components of share capital and accumulated profits.

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

The Group and its subsidiaries are not subject to any externally imposed capital requirements.

**17. Related party transactions**

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Key management personnel compensation

Key management personnel compensation is as follows:

	2015	Group	2014
	US\$		US\$
Wages and salaries	600,729		170,000

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**18. Restatements**

The balance sheet of the Group and Company and statement of comprehensive income of the Group in the previous financial years has been restated, due to the following:

- The Group have erroneously recognised deferred tax assets in 2014 and 2013.
- Surplus from equity transactions in 2014 amounting to \$728,540 were recorded as other comprehensive income instead of as additional paid-in capital.
- The Group did not recognise exchange differences arising from the intra-group loan in the 2014 and 2013 statement of comprehensive income.
- The Group have not recognised provisions relating to indirect taxes in 2014 and 2013.

	<b>2014</b>		
	<b>As previously reported US\$</b>	<b>Restatement US\$</b>	<b>As restated US\$</b>
<b>Group</b>			
<u>Statement of Comprehensive Income</u>			
Foreign exchange loss	-	(249,769)	(249,769)
Other operating expense	(735,743)	(660,157)	(1,395,900)
Income tax expense	424,677	(424,677)	-
Other comprehensive income –			
Surplus from equity transactions	728,540	(728,540)	-
Other comprehensive income –			
Foreign currency translation difference	(84,749)	198,930	114,181
<u>Balance Sheet</u>			
Deferred tax assets	620,533	(620,533)	-
Provision for indirect taxes	-	1,209,980	1,209,980
Accumulated losses	(2,067,966)	(4,573,510)	(6,641,476)
Foreign currency translation reserve	(1,926,628)	2,059,192	132,564
Additional paid-in capital	-	728,540	728,540
<b>Company</b>			
<u>Balance Sheet</u>			
Trade and other receivables	9,626,663	(211,691)	9,414,972
Provision for indirect taxes	-	1,029,000	1,029,000
Accumulated (loss)/profit	307,281	(1,969,231)	(1,661,950)
Additional paid-in capital	-	728,540	728,540

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**18. Restatements (continued)**

	<b>2013</b>		
	<b>As previously reported US\$</b>	<b>Restatement US\$</b>	<b>As restated US\$</b>
<b>Group</b>			
<u>Balance Sheet</u>			
Deferred tax assets	145,017	(145,017)	-
Provision for indirect taxes	-	549,823	549,823
Accumulated losses	(1,068,885)	(2,533,849)	(3,602,734)
Foreign currency translation reserve	(1,841,879)	1,860,262	18,383
<b>Company</b>			
<u>Balance Sheet</u>			
Trade and other receivables	8,153,554	(731,678)	7,421,876
Provision for indirect taxes	-	468,000	468,000
Accumulated profits/(losses)	19,589	(263,678)	(244,089)

**19. New or revised accounting standards and interpretations**

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 January 2016 and which the Group has not early adopted:

- FRS 16 *Property plant and equipment* and FRS 38 *Intangible assets* (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies 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. This has 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. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

This amendment is not expected to have any significant impact on the financial statements of the Group.

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**19. New or revised accounting standards and interpretations (continued)**

- FRS 110 *Consolidated financial statements* and FRS 28 *Investments in associates and joint ventures* (effective for annual periods beginning on or after 1 January 2016\*)

These amendments address an inconsistency between FRS 110 and FRS 28 in the sale or contribution of assets between an investor and its associate or joint venture. A full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary.

This amendment is not expected to have any significant impact on the financial statements of the Group.

*\* (In August 2015, the IASB has published an Exposure Draft to propose deferring the effective date of the amendment indefinitely. Earlier application of the amendment continues to be permitted. No deferral has been made for similar amendment to FRS 110 and FRS 28 as at 31 October 2015).*

- FRS 1 *Presentation of financial statements* (effective for annual periods beginning on or after 1 January 2016)

The amendment clarifies guidance in FRS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

This amendment is not expected to have any significant impact on the financial statements of the Group.

- FRS 115 *Revenue from contracts with customers* (effective for annual periods beginning on or after 1 January 2017\*)

This is the converged standard on revenue recognition. It replaces FRS 11 *Construction contracts*, FRS 18 *Revenue*, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 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 services.

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**19. New or revised accounting standards and interpretations (continued)**

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

This amendment is not expected to have any significant impact on the financial statements of the Group.

*\* (The effective date of IFRS 15 Revenue from contracts with customers has been deferred from 1 January 2017 to 1 January 2018. No such deferral has been made for FRS 115 Revenue from contracts with customers as at 31 October 2015).*

**20. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Range International Holdings Ltd. on 6 June 2016.