Company Registration No. 201204465E

SFS Care Pte. Ltd.

Annual Financial Statements
30 June 2013

EY
Building a better working world

SFS Care Pte. Ltd.

General Information

Directors

Hoo Kwok Chye
Hoo Fui Ping
Hoo Hung Chye

Company Secretary

Chan Lai Yin

Registered Office

5C Bright Hill Drive
Thomson View Condominium
Singapore 579597

Banker

Malayan Banking Berhad

Auditor

Ernst & Young LLP

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SFS Care Pte. Ltd.

Directors' Report

The directors are pleased to present their report to the members together with the audited financial statements of SFS Care Pte. Ltd. (the "Company") for the financial year ended 30 June 2013.

Directors

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

Hoo Kwok Chye
Hoo Fui Ping
Hoo Hung Chye

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under section 164 of the Singapore Companies Act, Cap. 50, an interest in shares of the Company as stated below:

Name of director	At the beginning of financial year	At the end of financial year
SFS Care Pte. Ltd.		
Hoo Kwok Chye	1	1
Hoo Fui Ping	1	1
Hoo Hung Chye	1	1

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial period, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Option to take up unissued shares

During the financial year, no option to take up unissued shares of the Company was granted.

Option exercised

During the financial year, no shares of the Company were issued by virtue of the exercise of option to take up unissued shares of the Company.

Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors:

Hoo Kwok Chye
Director

Hoo Hung Chye
Director

Singapore
20 November 2013

SFS Care Pte. Ltd.

Statement by Directors

We, Hoo Kwok Chye and Hoo Hung Chye, being two of the directors of SFS Care Pte. Ltd., do hereby state that, in the opinion of the directors:

(i) the accompanying statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2013, and the results, changes in equity and cash flows of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors:

Hoo Kwok Chye
Director

Hoo Hung Chye
Director

Singapore
20 November 2013

Independent Auditor's Report to the Members of SFS Care Pte. Ltd.

Report on the financial statements

We have audited the accompanying financial statements of SFS Care Pte. Ltd. (the "Company") set out on pages 6 to 26, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

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

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

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

Independent Auditor's Report to the Members of SFS Care Pte. Ltd.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 30 June 2013 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Other matter

The financial statements of the Company for the financial period from 23 February 2012 to 30 June 2012 were not audited and our opinion does not relate to the financial statements for that period.

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.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

20 November 2013

SFS Care Pte. Ltd.

Statement of Comprehensive Income
For the financial year ended 30 June 2013

	Note	Audited 1.7.2012 to 30.6.2013	Unaudited 23.2.2012 to 30.6.2012
		$	$
Revenue	4	2,891,360	484,706
Cost of sales		(1,333,530)	(237,500)
Gross profit		1,557,830	247,206
Other income	5	108,533	13,837
Marketing expenses		(150,144)	(19,823)
Administrative and other expenses		(1,015,942)	(181,567)
Profit before tax	6	500,277	59,653
Income tax expense	7	(53,295)	–
Profit for the year/period		446,982	59,653
Other comprehensive income for the year/period, net of tax		–	–
Total comprehensive income for the year/period		446,982	59,653

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SFS Care Pte. Ltd.

Statement of Financial Position
As at 30 June 2013

	Note	Audited 2013	Unaudited 2012
		$	$
Current assets			
Inventories	8	53,414	12,038
Trade receivables	9	18,585	15,638
Prepayments to related party		350,345	–
Due from related party	10	57,607	83,455
Cash and cash equivalents	11	256,911	257,598
		736,862	368,729
Total assets		736,862	368,729
Current liabilities			
Trade and other payables	12	176,929	232,074
Due to related party	10	–	77,000
Income tax payable		53,295	–
		230,224	309,074
Net current assets		506,638	59,655
Total liabilities		230,224	309,074
Net assets		506,638	59,655
Equity attributable to owners of the Company			
Share capital	13	3	2
Retained earnings		506,635	59,653
Total equity		506,638	59,655

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SFS Care Pte. Ltd.

Statement of Changes in Equity
For the financial year ended 30 June 2013

	Note	Share capital	Revenue earnings	Total
		$	$	$
UNAUDITED				
At 23 February 2012 (date of incorporation)		–	–	–
Issuance of ordinary shares	13	2	–	2
Profit for the period, representing total comprehensive income for the period		–	59,653	59,653
At 30 June 2012		2	59,653	59,655
AUDITED				
At 1 July 2012		2	59,653	59,655
Issuance of ordinary share	13	1	–	1
Profit for the year, representing total comprehensive income for the year		–	446,982	446,982
At 30 June 2013		3	506,635	506,638

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SFS Care Pte. Ltd.

Statement of Cash Flows
For the financial year ended 30 June 2013

	Audited 1.7.2012 to 30.6.2013	Unaudited 23.2.2012 to 30.6.2012
	$	$
Operating activities		
Receipts from customers	2,979,690	473,625
Payments for staff costs	(355,351)	(5,306)
Payments for operating leases	(9,924)	–
Payments for other working capital	(2,084,793)	(210,844)
Interest income	685	121
Prepayments to related party	(350,345)	–
Net cash flows generated from operating activities	179,962	257,596
Financing activities		
Proceeds from issuance of ordinary shares	1	2
Reimbursement to related party	(180,650)	–
Net cash flows (used in)/generated from financing activities	(180,649)	2
Net (decrease)/increase in cash and cash equivalents	(687)	257,598
Cash and cash equivalents at beginning of the financial year/period	257,598	–
Cash and cash equivalents at end of the financial year/period	256,911	257,598

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

SFS Care Pte. Ltd. (the "Company") is a private limited company, incorporated and domiciled in Singapore.

The principal place of business of the Company is located at Block 3 Toa Payoh Industrial Park #01-1347, Singapore 319055 and the registered office of the Company is located at 5C Bright Hill Drive, Thomson View Condominium, Singapore 579597.

The principle activity of the Company is that of providing funeral and related services.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD" or "$").

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 July 2012. The adoption of these standards did not have any effect on the financial performance or position of the Company.

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Revised FRS 19 *Employee Benefits*	1 January 2013
FRS 113 *Fair Value Measurement*	1 January 2013
Amendments to FRS 107 *Disclosures – Offsetting Financial Assets and Financial Liabilities*	1 January 2013

2.3 ***Standards issued but not yet effective (cont'd)***

Description	**Effective for annual periods beginning on or after**
Improvements to FRSs 2012	1 January 2013
- Amendment to FRS 1 *Presentation of Financial Statements*	1 January 2013
- Amendment to FRS 16 *Property, Plant and Equipment*	1 January 2013
- Amendment to FRS 32 *Financial Instruments: Presentation*	1 January 2013
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 32 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
FRS 110, FRS 112 and FRS 27 *Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities*	1 January 2014
FRS 110, FRS 111 and FRS 112 *Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities*	1 January 2014

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 ***Functional and foreign currency***

(a) *Functional currency*

The management has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be Singapore Dollars. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in Singapore Dollars.

(b) *Foreign currency transactions*

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as 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 was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 ***Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.6 ***Impairment of financial assets***

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For financial assets carried at amortised cost, the Company 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 Company 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 on financial assets carried at amortised cost 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 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 effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.7 ***Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a first-in first-out basis.

2.8 ***Cash and cash equivalents***

Cash and cash equivalents consist of cash at bank and on hand which are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

2.9 ***Financial liabilities***

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial 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.

2.10 ***Provisions***

Provisions are recognised when the Company 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 ***Employee benefits***

(a) *Defined contribution plan*

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.12 ***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 and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

As lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 ***Revenue***

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

(a) *Rendering of services*

Revenue is recognised when the funeral, burial, cremation or other services are performed.

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.14 *Taxes*

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised either in other comprehensive income or directly in equity. 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 tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except where the deferred 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, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred 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 where the deferred 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.

The carrying amount of deferred 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 tax asset to be utilised. Unrecognised deferred 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 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 end of each reporting period.

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 and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

2.14 ***Taxes (cont'd)***

Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

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

(b) receivables and payables that are stated with the amount of GST included.

The net amount of GST 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 GST 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.

2.15 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.16 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. 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 affected in the future periods.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Company's accounting policies, management is of the opinion that there is no instance of application of judgement which is expected to have a significant impact on the amounts recognised in the financial statements, apart from those involving estimations described below.

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

3.2 *Key sources of estimation uncertainty*

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

Impairment of loans and receivables

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Company's loans and receivables at the end of the reporting period is disclosed in Note 16(b) to the financial statements.

4. Revenue

	Audited 1.7.2012 to 30.6.2013	**Unaudited 23.2.2012 to 30.6.2012**
	$	$
Funeral services	2,568,988	484,706
Subcontracted funeral services	322,372	–
	2,891,360	484,706

5. Other income

	Audited 1.7.2012 to 30.6.2013	**Unaudited 23.2.2012 to 30.6.2012**
	$	$
Interest income on cash and cash equivalents	685	121
Referral fees income from subcontractors	87,035	4,557
Others	20,813	9,159
	108,533	13,837

6. Profit before tax

Profit before tax is determined after charging the following:

	Audited 1.7.2012 to 30.6.2013	Unaudited 23.2.2012 to 30.6.2012
	$	$
Operating lease expenses	9,924	–
Impairment loss on trade receivables	7,656	–
Service fees to related party	608,000	127,000
Salaries, bonuses and other payroll related costs	255,304	5,090
Defined contribution plan expenses	35,047	216
Directors' remuneration	65,000	–

7. Income tax expense

The components of tax expense in the statement of comprehensive income are:

	Audited 1.7.2012 to 30.6.2013	Unaudited 23.2.2012 to 30.6.2012
	$	$
Current income tax		
– Current income tax expense	53,295	–

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial year ended 30 June 2013 and financial period ended 30 June 2012 are as follows:

	Audited 1.7.2012 to 30.6.2013	Unaudited 23.2.2012 to 30.6.2012
	$	$
Profit before tax	500,277	59,653
Tax at applicable corporate tax rate of 17% (2012: 17%)	85,047	10,141
Adjustments:		
Non deductible expenses	2,248	–
Effect of partial tax exemption and tax relief	(34,000)	(10,141)
Income tax expense	53,295	–

8. Inventories

	Audited 2013	Unaudited 2012
	$	$
Statement of financial position:		
Consumables	53,414	12,038
Statement of comprehensive income:		
Inventories recognised as an expense in cost of sales	157,140	43,087

9. Trade receivables

Trade receivables are non-interest bearing and are generally on cash on delivery terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Company has trade receivables amounting to $18,585 (2012: $15,638) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

Receivables that are past due but not impaired

	Audited 2013	Unaudited 2012
	$	$
Trade receivables past due but not impaired:		
Less than 30 days	18,585	10,388
30 to 60 days	–	5,250
	18,585	15,638

Receivables that are impaired

	Audited 2013	Unaudited 2012
Trade receivables – nominal amounts	7,656	–
Less: Allowance for impairment	(7,656)	–
	–	–
Movement in allowance account:		
At beginning of the year/period	–	–
Charge for the year/period	7,656	–
At end of the year/period	7,656	–

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments.

10. Due from/to related party

Related party refers to a sole proprietorship which is owned and controlled by a director of the Company. The amounts due from/to related party are trade related, unsecured, interest-free and are repayable on demand.

11. Cash and cash equivalents

	Audited 2013	Unaudited 2012
	$	$
Cash on hand	2,264	–
Cash at bank	254,647	257,598
	256,911	257,598

Cash at bank earns interest at floating rates based on daily bank deposit rates.

12. Trade and other payables

	Audited 2013	Unaudited 2012
	$	$
Trade payables	57,264	25,283
Other payables	23,096	–
Accrued operating expenses	57,865	206,791
Goods and services tax (GST) payable	38,704	–
	176,929	232,074

Trade and other payables are non-interest bearing. Trade payables are normally settled on cash on delivery terms while other payables have an average term of 30 days.

13. Share capital

	Audited 2013		Unaudited 2012	
	No. of ordinary shares	$	No. of ordinary shares	$
Issued and fully paid ordinary shares:				
At 1 July/date of incorporation	2	2	–	–
Issuance of shares	1	1	2	2
At 30 June	3	3	2	2

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

14. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and the related parties took place at terms agreed between the parties during the financial year:

	Audited 2013	Unaudited 2012
	$	$
Service fees to related party	608,000	127,000
Purchase of supplies by related party on behalf of the Company	57,607	–
Compensation of key management personnel		
Salaries, bonuses and other payroll related costs	81,760	–
Defined contribution plan expenses	7,552	–
	89,312	–

Key management personnel refer to directors of the Company.

15. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The management reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks. There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the 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 Company's exposure to credit risk arises primarily from its trade receivables and amounts due from related party. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with creditworthy financial institutions. Information regarding financial assets that are either past due or impaired is disclosed in Note 9.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortages of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain adequate funding to meet its operating requirements.

In addition, in the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate by management to finance its operations.

The financial assets and liabilities of the Company will mature within one year from the statement of financial position date. The contractual undiscounted cash flows of the financial assets and liabilities approximate the carrying value of the financial assets and liabilities as at the statement of financial position date.

16. Financial instruments

(a) ***Fair value***

Management has determined that the carrying amounts of cash and cash equivalents and trade and other receivables and payables, including amounts due from/to related party, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

(b) ***Classification of financial instruments***

The table below is an analysis of the carrying amounts of financial instruments by categories as defined in FRS 39 as at the end of the reporting period:

	Audited 2013 $	Unaudited 2012 $
Financial assets		
Loans and receivables:		
Cash and cash equivalents	256,911	257,598
Trade receivables	18,585	15,638
Due from related party	57,607	83,455
	333,103	356,691
Financial liabilities		
Liabilities at amortised cost:		
Trade and other payables	176,929	232,074
Due to related party	–	77,000
	176,929	309,074

17. Capital management

The primary objective of the Company's capital management policy is to safeguard the Company's ability to continue as a going-concern. The Company considers share capital and retained earnings as capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain additional funding from a related party. No changes were made in the objectives, policies and processes during the year ended 30 June 2013 and period ended 30 June 2012.

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

18. Comparative figures

The comparative figures cover the financial period from 23 February 2012 to 30 June 2012. In the previous financial period, the Company applied the exemptions provided in Section 205A of the Singapore Companies Act, Cap 50.

19. Authorisation of financial statements for issue

The financial statements for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the directors on 20 November 2013.