RAMCO SYSTEMS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Registration Number: 199507354G)

FINANCIAL STATEMENTS
YEAR ENDED
31 MARCH 2015

ROHAN • MAH & PARTNERS LLP
Chartered Accountants, Singapore

RAMCO SYSTEMS PTE. LTD.
(Incorporated in the Republic of Singapore)

Directors

Pusapadi Ramasubramania Raja Venketrama Raja
Iyengar Vijaykumar Gopalan
Ravikula Chandran Ramamurthy

Secretary

Kong Yuh Ling Doreen

Registered Office

78 Shenton Way #26-02A
Singapore 079120

Auditors

Rohan • Mah & Partners LLP

Banker

Australia and New Zealand Banking Group Limited

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RAMCO SYSTEMS PTE. LTD.
(Incorporated in the Republic of Singapore)

REPORT BY THE DIRECTORS

The directors are pleased to present their report to the members together with the audited financial statements of Ramco Systems Pte. Ltd. ("the Company") for the financial year ended 31 March 2015.

1 DIRECTORS OF THE COMPANY

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

Pusapadi Ramasubramania Raja Venketrama Raja
Iyengar Vijaykumar Gopalan
Ravikula Chandran Ramamurthy

2 ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

3 DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors holding office at the end of the financial year and their interests in the shares of the Company and related corporation as recorded in the register kept by the Company for the purposes of Section 164 of the Companies Act, Cap. 50 were as follows:

	Holding in the name of the Directors		Other holdings in which directors are deemed to have an interest	
	Shares of Rs10 each			
Name of Directors	**At beginning of year**	**At end of year**	**At beginning of year**	**At end of year**
Holding Corporation - Ramco Systems Limited				
Pusapadi Ramsubramania Raja Venketrama Raja	2,144,961	3,217,441	7,935	11,902
Ravikula Chandran Ramamurthy	550	17,455	-	-

3 **DIRECTORS' INTEREST IN SHARES OR DEBENTURES** – cont'd

Share Options

Ravikula Chandran Ramamurthy

Date of Grant	Exercise period	Exercise Price (SGD)	At beginning of year	Options granted/ (exercised)	At end of year
11.04.09	10 years	53	8,950	440	9,390
02.03.10	10 years	94	2,760	136	2,896
02.03.10	10 years	94	4,140	94	4,344
08.08.14	10 years	356	-	6,250	6,250
08.08.14	10 years	10	-	6,250	6,250
08.08.14	10 years	155	-	12,500	12,500

By virtue of Section 7 of the Companies Act, the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporation of the Company.

4 **DIRECTORS' CONTRACTUAL BENEFITS**

Since the end of the previous financial year, 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 he is a member, or with a company in which he has a substantial financial interest.

5 **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.

6 AUDITORS

The auditors, Messrs. Rohan • Mah & Partners LLP, Chartered Accountants, Singapore have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD

....
Pusapadi Ramasubramania Raja Venketrama Raja
Director

....
Ravikula Chandran Ramamurthy
Director

Singapore,
16 April 2015

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of Ramco Systems Pte. Ltd. ("the Company") as at 31 March 2015 and of the results of the business, changes in equity and statement of cash flows of the Company for the year ended on that date, and at the date of this statement, as the ultimate holding corporation has given written confirmation of its continuing financial support for the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

....
Pusapadi Ramasubramania Raja Venketrama Raja
Director

....
Ravikula Chandran Ramamurthy
Director

Singapore,
16 April 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

RAMCO SYSTEMS PTE. LTD.
(Incorporated in the Republic of Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of Ramco Systems Pte. Ltd. ("the Company"), which comprise the balance sheet as at 31 March 2015, and statement of comprehensive income, statement of changes in equity and statement of cash flow 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, Cap 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF

RAMCO SYSTEMS PTE. LTD.

(Incorporated in the Republic of Singapore)

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 31 March 2015 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.2 to the financial statements with respect to the Company's ability to continue as a going concern. The Company's net current liabilities exceeded the current assets, and the accumulated losses exceeded the share capital, by S$4,926,997 and S$4,767,904 respectively as at 31 March 2015. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The validity of the going concern basis on which the financial statements are prepared depends on management's assessment of the Company's ability to operate as a going concern as set forth in Note 2.2 to the financial statements. In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statements of financial position. In addition, the Company may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current assets and liabilities. Our opinion is not modified in respect of this matter.

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.

Rohan. Mah & Partners LLP

ROHAN • MAH & PARTNERS LLP
Public Accountants and
Chartered Accountants
Singapore

16 April 2015

(RK/MA/HL/JL/as)

BALANCE SHEET AS AT 31 MARCH 2015

	Note	2015 S$	2014 S$
ASSETS LESS LIABILITIES			
Non-Current Assets			
Plant and equipment	3	159,093	23,053
Current Assets			
Trade and other receivables	4	3,314,474	813,201
Cash and cash equivalents	6	91,406	95,710
		3,405,880	908,911
Current Liabilities			
Trade and other payables	7	8,332,877	4,146,974
Net Current Liabilities		(4,926,997)	(3,238,063)
Net Liabilities		(4,767,904)	(3,215,010)
Capital and Reserves Attributable to Equity Holders of the Company			
Share capital	8	725,000	725,000
Accumulated losses		(5,492,904)	(3,940,010)
		(4,767,904)	(3,215,010)

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 S$	2014 S$
Continuing operations			
Revenue	9	6,843,479	3,588,343
Cost of sales		(4,260,063)	(1,755,525)
Gross Profit		2,583,416	1,832,818
Other income	10	18,749	-
Administration expenses	11	(4,108,881)	(3,767,701)
Other operating expenses	13	(36,274)	(11,263)
Loss before taxation		(1,542,990)	(1,946,146)
Taxation	14	(9,904)	(10,210)
Loss from continuing operations		(1,552,894)	(1,956,356)
Loss for the year		(1,552,894)	(1,956,356)
Total comprehensive loss		(1,552,894)	(1,956,356)
Loss attributable to:			
Equity holders of the Company		(1,552,894)	(1,956,356)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,552,894)	(1,956,356)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share Capital S$	Accumulated Losses S$	Total S$
As at 1 April 2013	725,000	(1,983,654)	(1,258,654)
Total comprehensive loss for the year	-	(1,956,356)	(1,956,356)
As at 31 March 2014	725,000	(3,940,010)	(3,215,010)
Total comprehensive loss for the year	-	(1,552,894)	(1,552,894)
As at 31 March 2015	725,000	(5,492,904)	(4,767,904)

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	2015 S$	2014 S$
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(1,542,990)	(1,946,146)
Adjustments for:		
Depreciation of plant and equipment	36,274	11,263
Operating loss before working capital changes	(1,506,716)	(1,934,883)
Trade and other receivables	(2,501,273)	317,325
Trade and other payables	667,691	1,886,012
Cash (used in)/generated from operations	(3,340,298)	268,454
Taxation paid	(9,904)	(10,210)
Net cash (used in)/generated from operating activities	(3,350,202)	258,244
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(172,314)	(8,789)
Net cash used in investing activities	(172,314)	(8,789)
CASH FLOWS FROM FINANCING ACTIVITIES		
Amount due to holding corporation - non-trade	-	(509,809)
Amount due to related corporation - non-trade	-	(232,786)
Loan from holding corporation	870,270	(426,990)
Loan from related corporation	2,647,942	978,272
Net cash generated from/(used in) financing activities	3,518,212	(191,313)
Net (decrease)/increase in cash and bank balances	(4,304)	58,142
Cash and bank balances at beginning of year	95,710	37,568
Cash and bank balances at end of year (Note 6)	91,406	95,710

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

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

1 CORPORATE INFORMATION

Ramco Systems Pte. Ltd. ("the Company"), is a limited liability company incorporated in Singapore with its registered office at 78 Shenton Way #26-02A, Singapore 079120 and the principal place of business at 79 Anson Road, Singapore 079906.

The Company is a wholly-owned subsidiary of Ramco Systems Limited, a company incorporated in India, which is also the Company's ultimate holding corporation. Related corporations in these financial statements refer to the members of the ultimate holding corporation's group of company.

The principal activities of the Company are to carry on the business pertaining to, or connected with, and involving information technology and software. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Company for the year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Directors on 16 April 2015.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, expressed in Singapore Dollar (SGD or S$) are prepared based on the historical cost convention, except as disclosed in the accounting policies below. The financial statements have been prepared on a going concern basis on the assumption that continuing financial support would be provided by the ultimate holding corporation.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumption that are significant to the financial statements, and areas involving a higher degree of judgement or complexity except as disclosed in Note 18.

In the current financial year, the Company has adopted all the new and revised FRSs and interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.2 Going Concern

The Company incurred a net loss of S$1,552,894. It's net current liabilities exceeded the current assets, and the accumulated losses exceeded the share capital, by S$4,926,997 and S$4,767,904 respectively as at 31 March 2015. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The financial statements have been prepared on the basis that the Company is a going concern as the related parties have given written confirmation of its continuing financial support for the Company.

The financial statements have been prepared on a going concern basis as the Directors are satisfied that:

(i) the continuing financial support from the holding company to procure the necessary finance and support for a period of not less than twelve months from the end of the reporting period;

(iii) the Company is able to generate sufficient cash flows from its operations to meet its current and future obligations.

Management has taken the following measures to improve and Company's operational performance and financial position:

(i) Source for new customers and held discussions with the Company's stakeholders to seek higher sales volume and negotiate for better prices. Management believes that the selling prices for the Company's products and services are gradually improving; and

(ii) Continuously seeking improvements in the efficiency of the Company's products and services through areas such as technological enhancements and system re-engineering in order to further reduce the costs of production of goods and services.

If the financial support is not forthcoming and as a result, the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reflect the situation that the assets may need to be realised other than in the normal course of the business and at amounts which could differ significantly from the amounts stated in balance sheet. In addition, the Company may have to provide further liabilities which may arise, and to reclassify long term assets and liabilities as current assets and liabilities

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.3 Plant and Equipment

2.3.1 Measurement

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

2.3.2 Components of costs

The cost of an item of plant and equipment 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.

2.3.3 Depreciation

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives of 3 years.

2.3.4 Subsequent Expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense during the financial year in which it is incurred.

2.3.5 Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.4 Impairment Of Non-Financial Assets

2.4.1 Plant And Equipment

Plant and equipment and deferred expenditure are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.4 Impairment Of Non-Financial Assets – cont'd

2.4.1 Plant And Equipment –cont'd

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 impairment loss is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.5 Financial Assets

2.5.1 Initial Recognition and Measurement

Financial assets are recognised on the balance sheet 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 as fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

2.5.2 Subsequent Measurement

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

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6 Financial Assets - cont'd

2.5.1 Subsequent Measurement

(i) Financial assets at fair value through profit or loss – cont'd

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

(ii) 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.

(iii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.5 Financial Assets - cont'd

2.5.2 Subsequent Measurement - cont'd

(iv) Available-for-sale financial assets

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

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

2.5.3 Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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.

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

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 is impaired.

2.6.1 Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses individually 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 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 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.6 Impairment of Financial Assets - cont'd

2.6.2 Financial Assets Carried at Cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at 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 current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.6.3 Available-For-Sale Financial Assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include

(i) significant financial difficulty of the issuer or obligor,

(ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and

(iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.7 Financial Liabilities

2.7.2 Initial Recognition and Measurement

Financial liabilities are recognised on the balance sheet 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 and in the case of other financial liabilities, plus directly attributable transaction costs.

2.7.3 Subsequent Measurement

The measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss. The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

(ii) Other financial liabilities

After initial recognition, other financial liabilities are subsequently 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.

2.7.4 Derecognition

A financial liability is derecognised 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank deposits and short-term, highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management.

2.9 Share Capital

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

2.10 Revenue Recognition

Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the statement of comprehensive income as follows:

2.10.2 License Fees

License fee revenue is recognised on delivery of the software.

2.10.3 Implementation Fees

Implementation contracts are either milestones based or time and material based.

In case of milestone contract, revenue is recognised upon achievement of the milestones as per the terms of the contract.

In case of time and material contracts, revenue is recognised based on billable time spent in the project, priced at the contractual rate.

2.10.4 Services

Revenue from fixed price contracts is recognised on milestones achieved as per the terms of the specific contract.

2.10.5 Annual Maintenance Contract

Revenue from maintenance services is recognised on a pro-rata basis over the period of the contract.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.11 Fair Value Estimation

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Company are the current bid prices; the appropriate quoted market prices for financial liabilities are the current ask prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used where appropriate. Other techniques, such as estimated discounted cash flows, are also used to determine the fair values of the financial instruments.

The carrying amounts of current receivables and payables are assumed to approximate their fair values. The fair values of non-current receivables for disclosure purposes are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Company for similar financial instruments.

2.12 Foreign Currencies

2.12.1 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The financial statements are presented in Singapore dollars, which is the Company's functional currency. The directors are of the opinion that the Singapore Dollar reflects the economic substance of the underlying events and circumstances relevant to the Company.

2.12.2 Foreign Currency Transactions

Foreign currency transactions during the year are translated into recording currencies at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Singapore Dollar at the exchange rates ruling at the balance sheet date.

Exchange gains and losses are dealt with in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.13 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 and 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).

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is more likely than not that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

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. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.14 Provisions - cont'd

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.15 Leases

2.15.1 Operating Leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.15.2 Finance Leases

Leases of assets in which the Company assumes substantially the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is taken to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.16 Employee Benefits

2.16.1 Defined Contribution Pension Costs

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.

2.16.2 Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - cont'd

2.17 Income Taxes

Current income tax liabilities (and assets) for the current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible/taxable 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 assets/liabilities arise 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 accounting nor taxable profit or loss.

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

Deferred income tax assets and liabilities are measured at:

(i) 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 substantially enacted by the balance sheet date; and

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

Current and deferred income taxes are recognised as income or expenses in the statement of comprehensive income for the year.

2.18 Government Grants

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

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

Where the grant relates to an asset, the fair value is recognized as deferred government grant on the balance sheet and is amortised as income on a systematic and rational basis over the useful life of the asset.

Alternatively, government grant relating to an asset may be presented in the balance sheet by deducting the grant at the carrying amount of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Jobs credit grants, which are government grants given to match staff and business costs, are recognised in the month of payment only as certain conditions have to be fulfilled before payment.

3 PLANT AND EQUIPMENT

2015	Office Equipment S$	Computer S$	Lease Line Equipment S$	Total S$
Cost				
At beginning of year	208,009	194,846	42,960	445,815
Additions	152,266	20,048	-	172,314
Disposal	(190,048)	(174,407)	(42,960)	(407,415)
At end of year	170,227	40,487	-	210,714
Accumulated Depreciation				
At beginning of year	196,681	183,121	42,960	422,762
Depreciation	26,766	9,508	-	36,274
Disposal	(190,048)	(174,407)	(42,960)	(407,415)
At end of year	33,399	18,222	-	51,621
Carrying Amount				
At end of year	136,828	22,265	-	159,093

2014	Office Equipment S$	Computer S$	Lease Line Equipment S$	Total S$
Cost				
At beginning of year	206,463	187,603	42,960	437,026
Additions	1,546	7,243	-	8,789
At end of year	208,009	194,846	42,960	445,815
Accumulated Depreciation				
At beginning of year	191,227	177,312	42,960	411,499
Depreciation	5,454	5,809	-	11,263
At end of year	196,681	183,121	42,960	422,762
Carrying Amount				
At end of year	11,328	11,725	-	23,053

4 TRADE AND OTHER RECEIVABLES

	2015 S$	2014 S$
Trade receivables	1,119,576	656,397
GST receivable	9,020	7,902
Unbilled revenue	2,109,788	76,699
Other receivables and deposits (Note 5)	76,090	72,203
	3,314,474	813,201

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The maximum exposure of credit risk for trade receivables at the reporting date is $1,119,576 (2014: $656,397).

The aging of trade receivables at the reporting date is:

	Gross 2015 S$	Impairment losses 2015 S$	Gross 2014 S$	Impairment losses 2014 S$
Current	397,458	-	-	-
Past due 0 - 30 days	107,244	-	315,200	-
Past due 31 - 90 days	257,197	-	140,433	-
More than 90 days	357,677	-	200,764	-
	1,119,576	-	656,397	-

Based on historical default rates, the Company believes that no impairment allowance is necessary in respect of trade receivables not past due and past due up to more than 90 days. These receivables are mainly arising by corporations that have a good record with the Company.

The carrying amounts of trade and other receivables approximate their fair value and are denominated in the following currencies:

	2015 S$	2014 S$
Singapore Dollar	467,416	232,844
United States Dollar	2,847,058	580,357
	3,314,474	813,201

5 OTHER RECEIVABLES AND DEPOSITS

	2015 S$	2014 S$
Advances to staffs*	5,500	5,000
Deposits	50,975	66,322
Retention amounts	16,150	-
Prepayments	3,465	881
	76,090	72,203

*These are advanced salaries given to staffs upon request. The amounts are deducted from the staffs' salaries in ten monthly instalments. They are non-interest bearing and unsecured.

6 CASH AND CASH EQUIVALENTS

	2015 S$	2014 S$
Cash and bank balances	91,406	95,710

The carrying amounts of cash and cash equivalents approximate their fair value and are denominated in the following currencies:

	2015 S$	2014 S$
Singapore Dollar	73,528	40,905
United States Dollar	17,878	54,805
	91,406	95,710

7 TRADE AND OTHER PAYABLES

	2015 S$	2014 S$
Amount due to holding corporation - trade	1,705,359	1,593,394
Amount due to related corporation - trade	421,990	10,645
Accrued operating expenses	639,375	680,976
Deferred income	497,176	296,701
GST payable	29,496	28,125
Loan from holding corporation	1,251,620	381,350
Loan from related corporation	3,726,709	1,078,767
Other creditors	61,152	77,016
	8,332,877	4,146,974

7 TRADE AND OTHER PAYABLES - cont'd

Trade and other payables are non-interest bearing. Other payables have an average term of six months.

Amounts due to holding and related corporations are unsecured, non-interest bearing and repayable on demand.

Loan from holding corporation is unsecured, bore interest at a rate of 12.5% (2014: 12.5%) per annum and is repayable on demand.

Loan from related corporation is unsecured, bore interest at a rate of 5% (2014: 5%) per annum and is repayable on demand.

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	2015 S$	2014 S$
New Zealand Dollar	-	4,320
Malaysia Ringgit	721,477	-
Singapore Dollar	7,326,771	4,142,654
United States Dollar	284,629	-
	8,332,877	4,146,974

8 SHARE CAPITAL

	2015 No. of shares	2015 S$	2014 No. of shares	2014 S$
Ordinary shares issued and fully paid:				
At beginning and end of the year	725,000	725,000	725,000	725,000

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

9 REVENUE

	2015 S$	2014 S$
Rendering of services	6,843,479	3,588,343

10 OTHER INCOME

	2015 S$	2014 S$
Government grant	18,749	-

11 ADMINISTRATION EXPENSES

Administration expenses include:

	2015 S$	2014 S$
Foreign exchange loss	110,188	109,803
Travelling expenses	595,668	398,801
Selling expense	414,804	335,267
Staff benefits	460,526	668,248
Staff cost (Note 12)	1,387,711	1,447,010

12 STAFF COSTS

	2015 S$	2014 S$
Salaries and related costs	3,389,362	2,172,123
Defined contribution pension costs	128,698	112,350
	3,518,060	2,284,473
Less:		
Included in administration expenses (Note 11)	(1,387,711)	(1,447,010)
Included in cost of sales	2,130,349	837,463

13 OTHER OPERATING EXPENSES

	2015 S$	2014 S$
Depreciation of plant and equipment	36,274	11,263

14 TAXATION

Major components of income tax expense are as follows:

	2015 S$	2014 S$
Current year taxation - Foreign withholding tax	9,904	10,210

A reconciliation between the tax expense and the product of accounting profit and loss multiplied by the applicable tax rate are as follows:

	2015 S$	2014 S$
Loss before taxation	(1,542,990)	(1,946,146)
Tax expense on loss before taxation at 17%	(262,308)	(330,845)
Adjustments:		
Foreign withholding tax	9,904	10,210
Non-deductible expenses	67,801	1,915
Unutilised tax losses	194,507	328,930
Tax expense	9,904	10,210

Unrecognised deferred tax assets:

Deferred tax assets in respect of the following items have not been recognised in the financial statements as the probability of future taxable profits being available to utilise such benefits cannot be reliably established:

	2015 S$	2014 S$
Differences in tax written down value and net book value of plant and equipment	364	(2,836)
Unutilised capital allowances	21,211	15,801
Unutilised tax losses	626,330	771,563
	647,905	784,528

The Company's unutilised capital allowances and tax losses are available for offset against future taxable profits subject to the agreement of the tax authorities and compliance with certain provisions of the Singapore Income Tax Act, Cap.134.

15 OPERATING LEASE COMMITMENTS

Operating lease commitment – as lessee

Rental expenses (principally for office and residential guest house rentals) were S$225,686 and S$223,523 for the year ended 31 March 2015 and 31 March 2014 respectively. Future minimum rentals under non-cancellable leases are as follows as of 31 March 2015:

	2015 S$	2014 S$
Payable:		
Within 1 year	164,700	144,195
Within 2 to 5 years	253,455	-
	418,155	144,195

16 SIGNIFICANT RELATED PARTIES TRANSACTIONS

Significant related party transactions on terms agreed between the Company and its related parties are as follows:

	2015 S$	2014 S$
Holding Corporation		
Royalty fees	1,494,684	496,380
Hosting expense	81,371	-
Outsourced contract fee	38,206	-
Overseas manpower cost	48,730	102,859
Travelling expenses	233,862	172,146
Marketing expenses	2,099	15,795
Interest on loan	47,376	36,301
Transfer pricing	635,030	-
Related Corporation		
Interest on loan	124,657	46,032
Manpower and travel	(558,601)	(272,900)

17 FINANCIAL INSTRUMENTS

Categories of Financial Instruments

The carrying amounts presented in the balance sheet relate to the following categories of financial assets and financial liabilities:

	2015	2014
Financial assets	**S$**	**S$**
Loans and receivables:		
Trade and other receivables	1,195,721	730,621
Cash and cash equivalents	91,406	95,710
	1,287,127	826,331
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade and other payables	7,835,701	3,850,273

Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are credit, foreign currency, and interest rate and liquidity risks. The policies of managing each of these risks are summarised below:

Credit Risk

The credit risk refers to the risk that counter parties may default on their contractual obligations resulting in a financial loss to the Company. The Company's customer portfolio is diversified and there is no reliance on any customer. These exposures are monitored and provision for potential credit losses is adjusted when necessary. The aggregate amount of its trade and other receivables and bank balance represents the Company maximum exposure to credit risk.

At the balance sheet date, the Company's trade receivables were due from customers in the following industries:

	2015	2014
	S$	**S$**
Trade receivables		
Aviation and manufacturing industry	921,339	339,460
Human resource services	158,296	316,937
Logistics and others	39,941	-
	1,119,576	656,397

Information regarding financial assets that is past due is disclosed in Note 4 (Trade and other receivables).

17 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Foreign Currency Risk

Foreign currency risk arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in the future years. The Company relies on natural hedges of matching foreign currency denominated assets and liabilities. Consistent effort has also been employed by the company to keep track of exchange rate fluctuations such that funds are converted at favourable exchange rates.

The Company's exposure to foreign currencies is as follows:

	MYR	NZD	USD
2015	**S$**	**S$**	**S$**
Trade and other receivables	-	-	975,915
Cash and cash equivalent	-	-	17,878
Trade and other payables	(721,477)	-	(284,629)
	(721,477)	-	709,164
2014			
Trade and other receivables	-	-	580,357
Cash and cash equivalent	-	-	54,805
Trade and other payables	-	(4,320)	-
	-	(4,320)	635,162

Sensitivity analysis

A 5% strengthening of Singapore Dollar against the following currencies at the reporting date would increase/(decrease) equity and profit or loss (before tax) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Statement of Comprehensive Income S$
2015	
Malaysia Ringgit	36,074
New Zealand Dollar	-
United States Dollar	(35,458)
	616
2014	
Malaysia Ringgit	-
New Zealand Dollar	216
United States Dollar	(31,758)
	(31,542)

17 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Interest Rate Risk

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

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The tables below set out the Company's exposure to interest rate risks. Included in the tables are the assets at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	Variable Rates	Fixed Rates			
	Less than 1 year S$	Less than 1 year S$	2 to 5 years S$	Over 5 years S$	Total S$
2015					
Liabilities					
Loan from holding corporation	-	1,251,620	-	-	1,251,620
Loan from related corporation	-	3,726,709	-	-	3,726,709
Total	-	4,978,329	-	-	4,978,329
2014					
Liabilities					
Loan from holding corporation	-	381,350	-	-	381,350
Loan from related corporation	-	1,078,767	-	-	1,078,767
Total	-	1,460,117	-	-	1,460,117

17 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Interest Rate Risk - cont'd

Sensitivity analysis

	Statement of Comprehensive Income S$
2015	
Loan from holding corporation	12,516
Loan from related corporation	37,267
	49,783
2014	
Loan from holding corporation	3,814
Loan from related corporation	10,788
	14,602

An increase or decrease in 100 basis point ("bp") (1%) in interest rate at the reporting date would have no significant effect on equity and profit or loss. This analysis assumes that all other variables remain constant.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage 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 a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To manage liquidity risk, the Company monitors its net operating cash flow and maintains an adequate level of cash and cash equivalent.

17 FINANCIAL INSTRUMENTS - cont'd

Financial Risk Management Objectives and Policies - cont'd

Liquidity Risk - cont'd

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

2015	**Within 1 year S$**	**Within 2 to 5 years S$**	**More than 5 years S$**	**Total S$**
Financial Assets				
Trade and other receivables	1,195,721	-	-	1,195,721
Cash and cash equivalents	91,406	-	-	91,406
Total undiscounted financial assets	1,287,127	-	-	1,287,127
Financial liabilities				
Trade and other payables	7,835,701	-	-	7,835,701
Total undiscounted financial liabilities	7,835,701	-	-	7,835,701
Total net undiscounted financial (liabilities)/assets	(6,548,574)	-	-	(6,548,574)
2014				
Financial Assets				
Trade and other receivables	730,621	-	-	730,621
Cash and cash equivalents	95,710	-	-	95,710
Total undiscounted financial assets	826,331	-	-	826,331
Financial liabilities				
Trade and other payables	3,850,273	-	-	3,850,273
Total undiscounted financial liabilities	3,850,273	-	-	3,850,273
Total net undiscounted financial (liabilities)/assets	(3,023,942)	-	-	(3,023,942)

17 FINANCIAL INSTRUMENTS - cont'd

Fair Value of Financial Instruments

As at the end of the financial year, the Company has no financial assets or financial liabilities that are carried at fair value measurements.

The carrying amounts of financial assets and financial liabilities of the Company recorded at amortised cost in the financial statements approximate their fair values due to their short term nature.

18 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Estimates and judgement 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions 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.

Estimated useful life for plant and equipment

Estimated useful life for plant and equipment is based on the Company's assessment of the expected usage of the asset and expect wear and tear of the asset. The depreciation is charged against the fixed assets to show utilisation of the assets. The estimation of depreciation and useful life requires use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of plant and equipment and depreciation expenses in the period in which such estimates has been changed.

Depreciation of plant and equipment

Plant, property and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of plant, property and equipment to be 3 years. The carrying amount of the Company's plant, property and equipment as at 31 March 2015 is S$159,093 (2014: S$23,053). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual lives of these assets, therefore future depreciation charges could be revised.

Allowance for doubtful debts

Allowance for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The indication of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimates has been changed.

19 CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to maximize shareholder's value.

The Company manages its capital structure and make adjustments to it, in light of changes in the working capital requirements, business performance and economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2015 and 31 March 2014.

The Company will continue to be guided by prudent financial policies of which gearing is an important aspects. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2015 **S$**	**2014** **S$**
Net debts	8,241,471	4,051,264
Total equity	(4,767,904)	(3,215,010)
Total capital	3,473,567	836,254
Gearing ratio	2.38	4.84

The Company does not have any externally imposed capital requirements for the financial year ended 31 March 2015 and 31 March 2014.

20 COMPARATIVE FIGURES

Certain comparative figures have been reclassified so as to conform to the current financial year presentation.

Balance Sheet as at 31 March 2014 (Note 6)	**Balance as previously stated** **S$**	**Current year reclassification** **S$**	**Balance restated** **S$**
Cash and cash equivalent			
Singapore Dollars	95,710	(54,805)	40,905
United States Dollars	-	54,805	54,805

RAMCO SYSTEMS PTE. LTD.
(Incorporated in the Republic of Singapore)

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

	Head Office S$	Branch S$	Total S$
Service income	6,843,479	-	6,843,479
Less : Cost of sales			
Salary and wages	2,036,375	-	2,036,375
CPF	93,974	-	93,974
Royalty	1,494,684	-	1,494,684
Transfer pricing	635,030	-	635,030
	4,260,063	-	4,260,063
Gross profit	2,583,416	-	2,583,416
Other income			
Government grant	18,749	-	18,749
Less:			
Administrative expenses	(4,078,178)	(30,703)	(4,108,881)
Other operating expenses	(36,274)	-	(36,274)
Loss before taxation	(1,512,287)	(30,703)	(1,542,990)

This schedule does not form part of the statutory audited financial statements.

RAMCO SYSTEMS PTE. LTD.
(Incorporated in the Republic of Singapore)

SCHEDULE OF OPERATING EXPENDITURE FOR THE PERIOD ENDED 31 MARCH 2015

	Head Office	Branch	Total
	S$	S$	S$
Administrative expenses			
Audit fees	22,000	783	22,783
Bank charges	13,488	122	13,610
CPF	34,724	-	34,724
Foreign exchange loss	110,188	-	110,188
Guest house expenses	12,515	-	12,515
Guest house rent	43,000	-	43,000
Hosting charges	135,750	-	135,750
Incorporation expense	6,019	-	6,019
Insurance	30,703	-	30,703
Interest on loan	172,033	-	172,033
Membership fees	5,055	-	5,055
Office expenses	14,010	-	14,010
Office maintenance	36,754	-	36,754
Office rental	182,686	-	182,686
Other fees and taxes - others - general	80	324	404
Overseas contract outsourcing	38,206	-	38,206
Overseas manpower	48,730	-	48,730
Overseas marketing	2,099	-	2,099
Overseas travel	233,862	-	233,862
Postage and courier	3,967	-	3,967
Printing and stationery	13,849	-	13,849
Professional fee	13,255	-	13,255
Recruitment expense	6,118	-	6,118
Salaries and wages	1,352,987	-	1,352,987
Selling expenses	385,330	29,474	414,804
Staff benefits	460,526	-	460,526
Subcontract charges	12,693	-	12,693
Telephone and telexes	91,883	-	91,883
Travelling expenses	595,668	-	595,668
	4,078,178	30,703	4,108,881
Other operating expenses			
Depreciation	36,274	-	36,274
Total operating expenses	4,114,452	30,703	4,145,155

This schedule does not form part of the statutory audited financial statements.