

# **SingCo Trading Pte. Ltd.**

(Incorporated in Singapore, Registration Number: 200511993H)

**and its subsidiaries**

## **Annual Report**

For the financial year ended 30 April 2011

**SingCo Trading Pte. Ltd.**  
*(Incorporated in Singapore, Registration Number: 200511993H )*  
**and its subsidiaries**

**ANNUAL REPORT**  
*For the financial year ended 30 April 2011*

# Contents

	Page
Directors' Report	1
Statement by Directors	3
Independent Auditor's Report	4
Consolidated Statement of Comprehensive Income	6
Balance Sheets	7
Consolidated Statement of Changes in Equity	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10

## **DIRECTORS' REPORT**

*For the financial year ended 30 April 2011*

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The directors present their report to the members together with the audited consolidated financial statements of the Group for the financial year ended 30 April 2011 and the balance sheet of the Company as at 30 April 2011.

### **Directors**

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

Robert Ilar Koczkar  
Shannon David Joshua Wolfers  
Simon Charles Arthur Perkins  
James Thomas Ryan  
Min-tze Lean

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

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

### **Directors' interests in shares or debentures**

According to the register of directors' shareholdings, none of the directors holding office at the end of the year had or is deemed to have had any interest in the shares in, or debentures of the Company or its related corporations, except as follows:

<u>Ordinary shares of \$0.0001 each</u>	<u>Holdings registered in name of director</u>	
	At 30 April 2011	At 1 May 2010
Simon Charles Arthur Perkins	23,113	25,408
James Thomas Ryan	19,760	19,760

### **Directors' contractual benefits**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the financial statements) 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, except that certain directors have employment relationships with related corporations and have received remuneration in those capacities.

**DIRECTORS' REPORT**

*For the financial year ended 30 April 2011*

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**Share options**

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

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

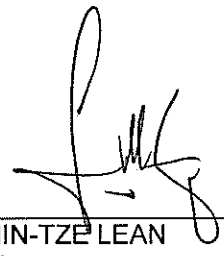
There were no unissued shares of the Company under option at the end of the year.

**Independent Auditor**

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

On behalf of the directors

  
\_\_\_\_\_  
SHANNON WOLFERS  
Director

  
\_\_\_\_\_  
MIN-TZE LEAN  
Director

13 July, 2011

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Date

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

**STATEMENT BY DIRECTORS**

*For the financial year ended 30 April 2011*


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In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 6 to 36 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 April 2011 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, as the related corporations, Collins Foods Finance Pty Limited and Collins Restaurants Management Pty Ltd, have confirmed in writing, that they will not call for repayment of any outstanding amounts owed by the Company for a period of fifteen months from the financial year ended 30 April, 2011.

On behalf of the directors

  
\_\_\_\_\_  
SHANNON WOLFERS  
Director

  
\_\_\_\_\_  
MIN-TZE LEAN  
Director

13 July, 2011

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Date

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGCO TRADING PTE LTD

### Report on the Financial Statements

We have audited the accompanying financial statements of SingCo Trading Pte Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 6 to 36, which comprise the balance sheets of the Company and of the Group as at 30 April 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (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; that 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 the internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SINGCO TRADING PTE LTD**  
(continued)

*Opinion*

In our opinion, the balance sheet of the Company and the consolidated financial statements of the Group 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 and of the Group as at 30 April 2011, and the results, changes in equity and cash flows of the Group for the financial year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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



PricewaterhouseCoopers LLP  
Public Accountants and Certified Public Accountants

Singapore, 13 July 2011

# SingCo Trading Pte. Ltd. and its subsidiaries

Registration Number: 200511993H

## Consolidated Statement of Comprehensive Income For the financial year ended 30 April 2011

	Note	Group	
		2011 \$000	2010 \$000
<b>Continuing Operations</b>			
Revenue	4	3,077	2,871
Cost of sales		-	-
Gross profit		3,077	2,871
Franchise management expenses		(701)	(697)
Administrative expenses		(1,112)	(1,362)
Other expenses		-	-
Finance costs - net	7	(2,286)	(1,410)
Share of joint venture's profit (net of tax)	13	130	129
Loss before income tax		(892)	(469)
Income tax expense	8	(369)	(82)
Loss from continuing operations		(1,261)	(551)
<b>Discontinued Operations</b>			
Profit from discontinued operations	9	72	53
<b>Total loss</b>		<b>(1,189)</b>	<b>(498)</b>
<b>Other comprehensive income:</b>			
Currency translation differences arising from consolidation		(2,247)	(3,418)
Other comprehensive loss, net of tax		(2,247)	(3,418)
<b>Total comprehensive loss</b>		<b>(3,436)</b>	<b>(3,916)</b>

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

# SingCo Trading Pte. Ltd. and its subsidiaries

Registration Number: 200511993H

## Balance Sheets at 30 April 2011

	Note	Group		Company	
		2011 \$000	2010 \$000	2011 \$000	2010 \$000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	132	111	-	-
Trade and other receivables	11	285	269	-	-
<b>Total current assets</b>		<b>417</b>	<b>380</b>	<b>-</b>	<b>-</b>
<b>Non-current assets</b>					
Receivables	12	224	304	-	-
Investments in joint ventures	13	538	371	-	-
Investments in subsidiaries	14	-	-	16,530	15,665
Intangible assets	15	10,316	12,134	-	-
<b>Total non-current assets</b>		<b>11,078</b>	<b>12,809</b>	<b>16,530</b>	<b>15,665</b>
<b>Total assets</b>		<b>11,495</b>	<b>13,189</b>	<b>16,530</b>	<b>15,665</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	16	354	322	12,666	7,293
<b>Total current liabilities</b>		<b>354</b>	<b>322</b>	<b>12,666</b>	<b>7,293</b>
<b>Non-current liabilities</b>					
Borrowings	17	19,465	17,489	19,277	15,681
Deferred tax liabilities	18	1,382	1,648	-	-
<b>Total non-current liabilities</b>		<b>20,847</b>	<b>19,137</b>	<b>19,277</b>	<b>15,681</b>
<b>Total liabilities</b>		<b>21,201</b>	<b>19,459</b>	<b>31,943</b>	<b>22,974</b>
<b>NET LIABILITIES</b>		<b>(9,706)</b>	<b>(6,270)</b>	<b>(15,413)</b>	<b>(7,309)</b>
<b>EQUITY</b>					
Share Capital and Changes in Equity	19	1	1	1	1
Currency translation reserve		(5,131)	(2,884)	(773)	370
Accumulated losses		(4,576)	(3,387)	(14,641)	(7,680)
<b>Total equity</b>		<b>(9,706)</b>	<b>(6,270)</b>	<b>(15,413)</b>	<b>(7,309)</b>

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

# SingCo Trading Pte. Ltd. and its subsidiaries

Registration Number: 200511993H

## Consolidated Statement of Changes in Equity For the financial year ended 30 April 2011

	Share Capital	Currency translation reserve	Accumulated losses	Total Equity
	\$000	\$000	\$000	\$000
<b>2011</b>				
Beginning of the financial year	1	(2,884)	(3,387)	(6,270)
Loss for year	-	-	(1,189)	(1,189)
Other comprehensive loss	-	(2,247)	-	(2,247)
<b>Total recognised loss</b>	<b>-</b>	<b>(2,247)</b>	<b>(1,189)</b>	<b>(3,436)</b>
<b>End of the financial year</b>	<b>1</b>	<b>(5,131)</b>	<b>(4,576)</b>	<b>(9,706)</b>
<b>2010</b>				
Beginning of the financial year	1	534	(2,889)	(2,354)
Loss for year	-	-	(498)	(498)
Other comprehensive loss	-	(3,418)	-	(3,418)
<b>Total recognised loss</b>	<b>-</b>	<b>(3,418)</b>	<b>(498)</b>	<b>(3,916)</b>
<b>End of the financial year</b>	<b>1</b>	<b>(2,884)</b>	<b>(3,387)</b>	<b>(6,270)</b>

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

# SingCo Trading Pte. Ltd. and its subsidiaries

Registration Number: 200511993H

## Consolidated Statement of Cash Flows For the financial year ended 30 April 2011

	Note	Group	
		2011 \$000	2010 \$000
<b>Cash flows from operating activities:</b>			
Receipts from customers		3,161	3,013
Payments to suppliers and employees		(1,277)	(1,450)
Interest received		1	-
Interest and other borrowing costs paid		(2,098)	(1,400)
Income taxes paid		(494)	(466)
Net operating cash flows		(707)	(303)
<b>Cash flows from investing activities:</b>			
Protection of franchise rights		-	-
Proceeds from sale of plant and equipment		-	-
Net investing cash flows		-	-
<b>Cash flow from financing activities:</b>			
Proceeds from borrowings		736	921
Repayment of borrowings		-	(597)
Net financing cash flows		736	324
Net increase in cash and cash equivalents		29	21
Cash and cash equivalents at the beginning of the financial year		111	104
Exchange rate variations on foreign cash and cash equivalents		(8)	(14)
Cash and cash equivalents at the end of the financial year	10	132	111

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

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

**1. General**

The Company (Registration No. 200511993H) was incorporated on 30 August 2005 and is domiciled in Singapore. The address of its registered office is 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315.

The Group is principally engaged in the business of selling franchise licences to other companies. As the group engages consultants to facilitate the transactions, it does not have a single place where business is conducted.

**2. Significant accounting policies**

Basis of preparation

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

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2010

On 1 May 2010, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

Going concern

These financial statements are prepared on a going concern basis, as the related corporations, Collins Foods Finance Pty Limited and Collins Restaurants Management Pty Ltd, have confirmed in writing, that they will not call for repayment of any outstanding amounts owed by the Group for a period of fifteen months from the financial year ended 30 April, 2011.

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

Group accounting

(a) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The consolidated financial statements include the financial statements of the Company, SingCo Trading Pte. Ltd. (the Company) and its subsidiaries (see Note 14 on subsidiaries). All transactions and balances between companies in the economic entity are eliminated on consolidation. The term "Group" used throughout these financial statements means the Company and its subsidiaries. Where an entity began to be controlled during the reporting period, the results are included only from the date control commenced. Where a subsidiary ceased to be controlled during the reporting period, the results are included only through to the date control ceased. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

b) Joint Ventures

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The interest in a joint venture entity is accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of the joint venture entity is recognised in the consolidated statement of comprehensive income.

Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments is recognised in the consolidated statement of comprehensive income.

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

Revenue recognition

Revenue for the Group comprises the fair value of the consideration received or receivable net of goods and services tax, rebates and discounts.

Revenue is recognised as follows:

- (a) *Sale of goods*  
Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Sales are presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.
- (b) *Franchise revenue*  
Franchise revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement.
- (c) *Interest income*  
Interest income is recognised on a time-proportion basis using the effective interest method.
- (d) *Dividend income*  
Dividend income is recognised when the right to receive payment is established.

Income tax

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred Income tax is recognised for all temporary differences, except where the deferred income tax arises from the initial recognition of an asset or liability that affects neither accounting nor taxable profit or loss at the time of the transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and are recognised as income or expenses in the consolidated statement of comprehensive income, except to the extent that the tax arises from a transaction which is recognised directly in equity.

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the entities in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the Company is the Australian Dollar (AUD). The functional currency of the discontinued operation is the New Zealand Dollar (NZD) and for the remainder of the entities in the Group is the United States of America Dollar (USD). The consolidated financial statements are presented in Singapore dollars, which is the presentation currency of the Group. The presentation currency is different from the functional currency to comply with certain loan agreements of the Group.

b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates in effect at the dates of each transaction. Amounts payable to or by the Group in foreign currencies have been translated into Singapore dollars at year end exchange rates. Gains and losses arising from fluctuations in exchange rates on monetary assets and liabilities are included in the consolidated statement of comprehensive income in the financial year in which the exchange rates change, except when deferred in equity as qualifying cash flow hedges.

c) Translation of Group entities' financial statements

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

- (i) Assets and liabilities are translated at the closing rates at the date of the balance sheet;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

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

- (iii) All resulting exchange differences are taken to the currency translation reserve within equity.

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

d) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies, and other currency instruments designated as hedges of such investments, are taken to the currency translation reserve. When a foreign operation is sold, such currency translation differences recorded in the currency translation reserve are recognised in the consolidated statement of comprehensive income as part of the gain or loss on sale.

Provision for employee entitlements

Provision has been made in the financial statements for benefits accruing to employees at balance sheet date, such as annual leave and bonus. No provision is made for non-vesting sick leave as the anticipated pattern of future sick leave taken indicates that accumulated non-vesting leave will never be paid. Annual leave provisions are measured at their nominal amounts using the remuneration rates expected to apply at the time of settlement, and are classified in other accruals for operating expenses.

All on-costs, including superannuation, payroll tax, workers' compensation premiums and fringe benefits tax are included in the determination of provisions.

Cash and cash equivalents

For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, at call deposits with banks or financial institutions, and other short-term, highly liquid investments in money market instruments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

Borrowing costs

Borrowing costs are recognised in the consolidated statement of comprehensive income using the effective interest method.

Impairment of non financial assets

(a) Goodwill

Goodwill is tested for impairment annually and whenever there is an indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the consolidated statement of comprehensive income and is not reversed in a subsequent period.

(b) Intangible assets and investments in subsidiaries and joint ventures

Intangible assets and investments in subsidiaries and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

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

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

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

(b) Intangible assets (continued)

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the consolidated statement of comprehensive income, unless the asset is carried at the 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 asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the consolidated statement of comprehensive income, unless the asset is carried at the revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the consolidated statement of comprehensive income, a reversal of that impairment is also recognised in the consolidated statement of comprehensive income.

Leases

Where the risks and rewards of ownership are retained by the lessor, leased assets are classified as operating leases and are not capitalised. Rental payments are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

Other Intangibles – Sizzler Brand

Intangible assets which are owned and registered by the Group are considered to have a useful life of twenty years and are amortised accordingly. Other intangibles will be tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Other intangibles are carried at amortised cost less impairment losses.

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets and represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Trade and other payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments are taken to equity as a deduction, net of tax, from the proceeds.

Financial assets

(a) Classification

The Group classifies its financial assets in the form of loans and receivables. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" on the balance sheet.

(b) Recognition and derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and sales proceeds is recognized in the consolidated statement of comprehensive income.

(c) Measurement

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(d) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of loans and receivables including trade and other receivables, is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of allowance for impairment is recognised in the consolidated statement of comprehensive income against revenue.

**Notes to the Financial Statements**  
*For the financial year ended 30 April 2011*

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

Provision for other liabilities and charges

Provision for other liabilities and charges are recognised when the Group has a present legal or constructive obligation, as a result of past events, where it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Fair value estimation of financial assets and liabilities

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

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

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

Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

- (a) Represents a separate major line of business or geographical area of operations; or
- (b) Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) Is a subsidiary acquired exclusively with a view to resale

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to the Financial Statements**

*For the financial year ended 30 April 2011*

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

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

Critical accounting estimates and assumptions

The Group 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.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

If the management's estimated future gross revenue had been lowered by 10%, the carrying values of goodwill would still not be impaired.

(ii) Review for impairment triggers of the brand

The Group reviews annually whether the triggers indicating a risk of impairment exist. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

If the management's estimated future gross revenue had been lowered by 10%, the carrying values of goodwill would still not be impaired.

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

	Group	
	2011	2010
	\$000	\$000

**Note 4. Revenue**

Franchise revenue	3,162	2,921
Charges for doubtful debts - non current receivables	(85)	(50)
	3,077	2,871

**Note 5. Expenses by nature**

Employee benefits	303	417
Professional and consulting expenses	544	526
Amortisation	553	600
Other expenses	413	516
	1,813	2,059

**Note 6. Employee benefits**

Employee benefits expense:		
Wages and salaries	277	389
Other employee entitlements	26	28
Total employee benefits expense	303	417
Less: Amounts attributable to discontinued operations	-	-
Amounts attributable to continuing operations	303	417

**Note 7. Finance expenses**

Finance costs:		
Interest expense:		
Related corporations	2,286	1,410
Other	-	-
Finance expense recognised in the income statement	2,286	1,410

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

Group	
2011	2010
\$000	\$000

**Note 8. Income taxes**

Income tax expense

Tax expense attributable to result is made up of:

Current income tax	494	466
Deferred income tax (note 18)	(125)	(131)
Effect of change in tax rate	-	(253)
	369	82
From discontinued operations		
Current income tax	-	-
	369	82

The tax expense on result differs from the amount that would arise using the Singapore standard rate of income tax and is as explained below:

Loss before income tax from:		
Continuing operations	(892)	(469)
Discontinued operations	72	53
	(820)	(416)
Tax calculated at a rate of 17% (2010: 17%)	(139)	(71)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Tax refund from discontinued operations	-	-
Withholding tax credits not brought to account	494	466
Deferred tax liabilities recovered	(125)	(131)
Effect of change in tax rate	-	(253)
Tax losses not brought to account	139	71
	508	153
Tax charge	369	82

Movements in current income tax liabilities

Beginning of financial year	-	-
Income tax expense	494	466
Income tax paid	(494)	(466)
End of financial year	-	-

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 9. Discontinued operations and Disposal group classified as held for sale**

Following the approval of the Group's management to discontinue operations in New Zealand, the operations of Sizzler New Zealand LLC have been presented separately on the income statement as "Discontinued operations" as the operations of Sizzler New Zealand LLC represents a separate major line of business. The business was discontinued on 31 July 2006. Transactions in the form of realised foreign exchange and other minor charges have continued post ceasing the operations. On 29 June, 2010 the Group obtained consent from the provider of the loan facilities referred to note 17 for the liquidation of Sizzler New Zealand LLC (SNZ) to proceed. Accordingly, SNZ was released from all of its obligations under those facilities and all security granted by it was discharged in full. The only outstanding obligation of SNZ is a loan payable to another controlled entity in the Group. This obligation will be discharged during the liquidation.

An analysis of the results of the discontinued operations, and the results recognised on the remeasurement of disposal group is as follows:

	2011 \$000	2010 \$000
Revenue	-	-
Expenses	72	53
Profit before tax from discontinued operations	72	53
Tax	-	-
Profit after tax from discontinued operations	72	53

The impact of the discontinued operations on the cash flows of the Group is as follows:

	2011 \$000	2010 \$000
Operating cash flows	-	-
Investing cash flows	-	-
Financing cash flows	-	-
Exchange rate variations on foreign cash and cash equivalents	1	2
Total cash flows	1	2

Group		Company	
2011	2010	2011	2010
\$000	\$000	\$000	\$000

**Note 10. Cash and cash equivalents**

Cash at bank and on hand	132	111	-	-
	132	111	-	-

At balance sheet date, the carrying amount of cash and cash equivalents approximated their fair values.

Cash and cash equivalents are denominated in the following currencies:

New Zealand Dollar (effective interest rate 0.2%, 2010: 0.2%)	11	10	-	-
United States Dollar (effective interest rate 0.1%, 2010: 0.1%)	121	101	-	-
	132	111	-	-

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

Group		Company	
2011	2010	2011	2010
\$000	\$000	\$000	\$000

**Note 11. Trade and other receivables - current**

Trade receivables	285	269	-	-
Other receivables	-	-	-	-
	<u>285</u>	<u>269</u>	<u>-</u>	<u>-</u>

Trade and other receivables are denominated in the following currency

United States Dollar	285	269	-	-
	<u>285</u>	<u>269</u>	<u>-</u>	<u>-</u>

The carrying amount of trade and other receivables approximate their fair values.

**Note 12. Receivables - non current**

Loans to a joint venture of the Company, net of accumulated impairment charge \$1,806,000 (2010: \$1,726,000)

	224	304	-	-
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The loan is unsecured, non interest bearing and there are no fixed terms for repayment per the loan agreement. The loan has been impaired to its fair value and will not be called upon for fifteen months from the year end date.

The carrying amount of the non current receivable, denominated in Singapore Dollars, after write down approximates its fair value.

**Note 13. Investments in joint ventures**

Carrying amounts

Name of Company	Principal Activities	Country of Incorporation	Equity holding		Group		Company	
			2011	2010	2011	2010	2011	2010
			%	%	\$000	\$000	\$000	\$000
Sizzler Steak Seafood Salad (S) Pte Ltd	Operating retail food outlets	Singapore	50	50	-	-	-	-
Sizzler China Pte. Ltd	Franchisor of Restaurants	Singapore	50	50	538	371	-	-

Movements in carrying amounts

Carrying amount at beginning of financial year	371	196	-	-
Share of profits after income tax	130	129	-	-
Foreign exchange revaluation	37	46	-	-
Carrying amount at end of financial year	<u>538</u>	<u>371</u>	<u>-</u>	<u>-</u>

Share of joint venture's profit

Profit before income tax	166	163	-	-
Income tax expense	(36)	(34)	-	-
Profit after income tax	<u>130</u>	<u>129</u>	<u>-</u>	<u>-</u>

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

Group		Company	
2011	2010	2011	2010
\$000	\$000	\$000	\$000

**Note 13. Investments in joint ventures (continued)**

Summarised financial information of joint venture (Group's share)

Assets:

Current Assets

511 380 - -

Liabilities:

Current Liabilities

(24) (23) - -

Net Assets

487 357 - -

Sales

238 230 - -

Expenses

(72) (67) - -

Profit before tax

166 163 - -

Income tax

(36) (34) - -

Profit after tax

130 129 - -

There are no capital commitments unrecognised at year end.

**Note 14. Investments in subsidiaries**

Unquoted equity investment at cost

Beginning of financial year

15,665 13,294

Foreign exchange revaluation

865 2,371

Acquisition during financial year

- -

End of financial year

16,530 15,665

Name of controlled entity	Activity	Place of incorporation	% of shares held	
			2011 %	2010 %
Sizzler International Marks, LLC.	Franchisor	Delaware, USA	100	100
Sizzler Asia Holdings, LLC.	Holding Company	Delaware, USA	100	100
Sizzler New Zealand, LLC.	Discontinued Operations	Nevada, USA	100	100
Sizzler Southeast Asia, LLC.	Franchisor	Nevada, USA	100	100
Sizzler Restaurant Services, LLC.	Franchisor	Nevada, USA	100	100

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

Group		Company	
2011	2010	2011	2010
\$000	\$000	\$000	\$000

**Note 15. Intangible assets**

Composition

Goodwill arising on consolidation  
(Note (a))

2,188      2,444      -      -

Other intangibles - Sizzler Brand  
(Note (b))

8,128      9,690      -      -

**10,316      12,134      -      -**

(a) Goodwill arising on consolidation

Goodwill

Cost

Opening balance

2,444      2,594      -      -

Foreign exchange revaluation

(256)      (150)      -      -

Closing Balance

**2,188      2,444      -      -**

Accumulated amortisation and impairment

Opening balance

-      -      -      -

Disposals

-      -      -      -

Amortisation

-      -      -      -

Impairment

-      -      -      -

Closing balance

**-      -      -      -**

Net book value

**2,188      2,444      -      -**

(b) Other Intangibles - Sizzler Brand

Cost

Opening balance

12,364      12,972      -      -

Additions

-      -      -      -

Foreign exchange revaluation

(1,298)      (608)      -      -

Closing balance

**11,066      12,364      -      -**

Accumulated amortisation and impairment

Opening balance

(2,674)      (2,189)      -      -

Impairment

-      -      -      -

Amortisation

(553)      (600)      -      -

Foreign exchange revaluation

289      115      -      -

Closing balance

**(2,938)      (2,674)      -      -**

Net book value

**8,128      9,690      -      -**

All amortisation is recognised in administrative expenses for the group.

Management have assessed that the operations of the Group represent one cash generating unit ("CGU").

Goodwill and intangible assets are assessed at the entity level being the CGU. The recoverable amount of the CGU was determined based upon value-in-use calculations. Earnings projections used in these calculations were based on financial budgets approved by management covering a 5-year period (2010: 5 year period). Earnings beyond the 5-year period were extrapolated using an earnings multiple as stated below. The earnings multiple was derived from a third party consultant firm.

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

Group		Company	
2011	2010	2011	2010
\$000	\$000	\$000	\$000

**Note 15. Intangible assets (continued)**

Key assumptions used for value-in-use calculations:

Earnings growth rate of 6.2% (Earnings growth rate stated is the average annual rate) (2010: 6.7%)

Earnings multiple of 8.5 (As per third party consultants) (2010: 7.2)

Discount factor of 9.6% (Pre-tax discount rate applied to the pre-tax cash flow projections) (2010: 9.6%)

These assumptions were used for the analysis of impairment across all categories of intangibles. Management determined budgeted earnings based on past performance and its expectations of the market development. The weighted average growth rates used were consistent with the forecasts included in management's budget. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

No impairment charge has resulted from management's impairment analysis.

**Note 16. Trade and other payables**

Trade payables	26	21	-	-
Other accruals for operating expenses	328	301	329	302
Loans from related corporations	-	-	-	-
Loans from subsidiaries	-	-	12,337	6,991
<b>Total payables</b>	<b>354</b>	<b>322</b>	<b>12,666</b>	<b>7,293</b>

The carrying amounts of the current trade and other payables approximated their fair values at balance sheet date.

The loans are non interest bearing and unsecured. The loans require settlement to be made within 90 days of the transaction.

Trade and other payables were denominated in the following currencies:

United States Dollar	26	21	-	6,992
Singapore Dollar	37	57	37	57
Australian Dollar	291	244	12,629	244
	<b>354</b>	<b>322</b>	<b>12,666</b>	<b>7,293</b>

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

Group		Company	
2011	2010	2011	2010
\$000	\$000	\$000	\$000
2,935	1,824	2,747	16
16,530	15,665	16,530	15,665
19,465	17,489	19,277	15,681

**Note 17. Borrowings**

Loans from related corporations (i)  
Loans from related corporations (ii)  
Total non-current liabilities - Borrowings

(i) The loans are non interest bearing and unsecured. The related corporations have confirmed in writing, that they will not call for repayment of any outstanding amounts owed by the Group for a period of fifteen months from the financial year ended 30 April, 2011.

(ii) On June 29, 2010 the loan facilities of the related party Collins Foods Finance Pty Limited, were refinanced. The Facility A and B funding portions of the amended senior facility were utilised to refinance the facilities of the existing senior credit facility. The existing mezzanine facility was also refinanced and the terms of the new mezzanine facility were documented in the amended mezzanine facility.

The initial funding under the amended senior facility comprised Facility A and Facility B for \$AUD 36.0 million and \$AUD 135.0 million respectively. The amended senior facility provides for a three-year term expiring on 28 June 2013. The amended mezzanine facility is for \$AUD 70.0 million and has a three and a half year term expiring on 28 December 2013. Scheduled repayments are set out for Facility A over the term of the loan. Conditions exist regarding the voluntary and mandatory prepayment of debt.

The amended senior and mezzanine facilities are subject to certain financial covenants and restrictions such as interest coverage ratios, profitability ratios and others which management believe are customary for these types of loans. The Company and its subsidiaries (other than dormant subsidiaries) are registered guarantors of all the obligations in respect of these loan facilities.

The loan from Collins Foods Finance Pty Limited to SingCo Trading Pte Ltd in AUD remained in place and the interest charged is the rate applicable to the Mezzanine Facility plus a margin of 0.5%. Subsequent to establishing these facilities, repayments have been made to Facility A. The balances as at the current reporting date are \$AUD 30.5 million (Facility A), \$AUD135 million (Facility B) and \$AUD 74.2m (Mezzanine Facility).

The rate of interest applicable to the Mezzanine Facility is determined with reference to the gearing ratio of Collins Foods Holding Pty Limited. At 30 April 2011 this rate of interest was 16.0% (2010: 10.0%)

Under the agreement, no security has been provided for this loan.

The carrying amounts of the loans from related corporations are denominated in Australian dollars and approximate their fair values at balance sheet date.

**Note 18. Deferred income taxes**

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The movement in the deferred income tax account is as follows:

	Accelerated tax depreciation on intangibles	Accelerated tax depreciation on intangibles	Accelerated tax depreciation on intangibles	Accelerated tax depreciation on intangibles
Beginning of fiscal year	1,648	1,848	-	-
Foreign exchange revaluation	(141)	184	-	-
Effect of change in tax rate	-	(253)	-	-
Credited to the income statement (note 8)	(125)	(131)	-	-
Closing balance	1,382	1,648	-	-
Deferred tax liabilities to be recovered within 12 months	92	103	-	-
Deferred tax liabilities to be recovered after more than 12 months	1,290	1,545	-	-
	1,382	1,648	-	-

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 19. Share Capital and Changes in Equity**

a) Share Capital

	Issued share Capital	Share Capital \$000
<b>2010</b>		
Beginning and end of financial year	2,000,089	1
<b>2011</b>		
Beginning of financial year	2,000,089	1
Share surrender	58,120	
End of financial year	<u>1,941,969</u>	1

All issued ordinary shares with no par value are fully paid

During the financial year, certain shareholders surrendered some or all of their interests in original shares in the capital of the Company for no consideration or other payment, under the terms and conditions of the Deed of Surrender dated 23 September 2010. A total of 58,120 original shares were surrendered pursuant to the Deed of Surrender. The surrender of shares was effected under Section 76D of the Companies Act.

b) Changes in Equity

On 30 June 2010, the Company issued 58,144 shadow equity units for a total consideration of \$AUD 388 pursuant to the Shadow Equity Deed entered into on that date. The holders of shadow equity are entitled to dividends, returns of capital and other distributions equivalent to those of the ordinary share classes to which the shadow equity relates. Shadow equity holders do not have the equivalent rights to ordinary shareholders. The rights of the holders of the shadow equity are governed by the memorandum and articles of association of the Company and the Shareholders' Agreement. The holders of shadow equity do not have voting rights at general meetings, nor can they be considered as part of the quorum of a general meeting. In addition, holders of shadow equity do not have the right to requisition for a meeting of shareholders. For the avoidance of doubt the amounts contributed under the Shadow Equity Deed do not form part of the issued share capital of the Company and are instead treated as a quasi-equity arrangement.

**Note 20. Financial risk management**

The Group and the Company is mainly exposed to market risk (including currency risk and interest rate risk), credit risk, liquidity risk and capital risk. Risk management is carried out under policies approved by the Board of Directors. The Board provides written principles for overall risk management.

(a) Market Risk

(i) Currency Risk

The Group's business is exposed to the Australian Dollar ("AUD"), New Zealand Dollar ("NZD"), Singapore Dollar ("SGD") and United States Dollar ("USD") as significant financial assets and liabilities are denominated in AUD and USD. This is a translation risk and as such no specific hedging policy has been entered into.

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

Group	Notes	SGD \$'000	AUD \$'000	USD \$'000	NZD \$'000	Total \$'000
<u>At 30 April 2011</u>						
<b>Financial assets</b>						
Cash and cash equivalents	10	-	-	121	11	132
Trade and other receivables	11	-	-	285	-	285
Receivables - non current	12	224	-	-	-	224
		<u>224</u>	<u>-</u>	<u>406</u>	<u>11</u>	<u>641</u>
<b>Financial liabilities</b>						
Borrowings	17	-	19,465	-	-	19,465
Trade and other payables	16	37	291	26	-	354
		<u>37</u>	<u>19,756</u>	<u>26</u>	<u>-</u>	<u>19,819</u>
<b>Net financial assets / (liabilities)</b>		187	(19,756)	380	11	(19,178)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies						
		-	17,023	(380)	-	16,643
<b>Currency exposure on financial assets / (liabilities)</b>		187	(2,733)	-	11	(2,535)

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 20. Financial risk management (continued)**

- (a) Market Risk (continued)  
(i) Currency Risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:(continued)

Group	Notes	SGD \$'000	AUD \$'000	USD \$'000	NZD \$'000	Total \$'000
<u>At 30 April 2010</u>						
<b>Financial assets</b>						
Cash and cash equivalents	10	-	-	101	10	111
Trade and other receivables	11	-	-	269	-	269
Receivables - non current	12	304	-	-	-	304
		<u>304</u>	<u>-</u>	<u>370</u>	<u>10</u>	<u>684</u>
<b>Financial liabilities</b>						
Borrowings	17	-	17,489	-	-	17,489
Trade and other payables	16	57	244	21	-	322
		<u>57</u>	<u>17,733</u>	<u>21</u>	<u>-</u>	<u>17,811</u>
<b>Net financial assets / (liabilities)</b>		247	(17,733)	349	10	(17,127)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies		-	15,925	(349)	-	15,576
<b>Currency exposure on financial assets / (liabilities)</b>		<u>247</u>	<u>(1,808)</u>	<u>-</u>	<u>10</u>	<u>(1,551)</u>

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

Company	Notes	SGD \$'000	AUD \$'000	USD \$'000	NZD \$'000	Total \$'000
<u>At 30 April 2011</u>						
<b>Financial assets</b>						
Cash and cash equivalents	10	-	-	-	-	-
Trade and other receivables	11	-	-	-	-	-
Receivables - non current	12	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>						
Borrowings	17	-	19,277	-	-	19,277
Trade and other payables	16	37	12,629	-	-	12,666
		<u>37</u>	<u>31,906</u>	<u>-</u>	<u>-</u>	<u>31,943</u>
<b>Net financial assets / (liabilities)</b>		(37)	(31,906)	-	-	(31,943)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies		-	31,906	-	-	31,906
<b>Currency exposure on financial assets / (liabilities)</b>		<u>(37)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37)</u>

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 20. Financial risk management (continued)**

- (a) Market Risk (continued)  
(i) Currency Risk (continued)

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

Company	Notes	<u>SGD</u> \$'000	<u>AUD</u> \$'000	<u>USD</u> \$'000	<u>NZD</u> \$'000	<u>Total</u> \$'000
<u>At 30 April 2010</u>						
<b>Financial assets</b>						
Cash and cash equivalents	10	-	-	-	-	-
Trade and other receivables	11	-	-	-	-	-
Receivables - non current	12	-	-	-	-	-
		-	-	-	-	-
<b>Financial liabilities</b>						
Borrowings	17	-	15,681	-	-	15,681
Trade and other payables	16	57	244	6,992	-	7,293
		57	15,925	6,992	-	22,974
<b>Net financial assets / (liabilities)</b>		(57)	(15,925)	(6,992)	-	(22,974)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies						
		-	15,925	-	-	15,925
<b>Currency exposure on financial assets / (liabilities)</b>		(57)	-	(6,992)	-	(7,049)

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 20. Financial risk management (continued)**

- (a) Market Risk (continued)  
(i) Currency Risk (continued)

If the AUD, NZD and USD move against the SGD by 10% (2010: 10%) and with all other variables including tax rate being held constant, the effects arising from the net financial liability / asset position will be as follows:

	2011		2010	
	Profit / (loss) <u>after tax</u> \$'000	<u>Equity</u> \$'000	Profit / (loss) <u>after tax</u> \$'000	<u>Equity</u> \$'000
<u>Group</u>				
AUD against SGD				
- strengthened	(227)	(1,640)	(150)	(1,472)
- weakened	227	1,640	150	1,472
NZD against SGD				
- strengthened	1	1	1	1
- weakened	(1)	(1)	(1)	(1)
USD against SGD				
- strengthened	-	32	-	29
- weakened	-	(32)	-	(29)
<u>Company</u>				
AUD against SGD				
- strengthened	-	(2,648)	-	(1,322)
- weakened	-	2,648	-	1,322
USD against SGD				
- strengthened	-	-	(580)	(580)
- weakened	-	-	580	580

(ii) Interest Rate Risk

The Group is exposed to interest rate risk through primary financial assets and liabilities. The table below summarises interest rate risk for the Group, together with effective interest rates as at the end of the period.

Group				
2011	Notes	Floating Interest Rate \$000	Non Interest Bearing \$000	Total \$000
<b>Financial Assets</b>				
Cash and cash equivalents	10	132	-	132
Trade and other receivables	11	-	285	285
Loan to a joint venture of the Company	12	-	224	224
		<u>132</u>	<u>509</u>	<u>641</u>
<b>Financial Liabilities</b>				
Trade and other payables	16	-	354	354
Loans from related corporations	17	16,530	2,935	19,465
		<u>16,530</u>	<u>3,289</u>	<u>19,819</u>

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 20. Financial risk management (continued)**

(a) Market Risk (continued)

(ii) Interest Rate Risk (continued)

Group

2010	Notes	Floating Interest Rate \$000	Non Interest Bearing \$000	Total \$000
<b>Financial Assets</b>				
Cash and cash equivalents	10	111	-	111
Trade and other receivables	11	-	269	269
Loan to a joint venture of the Company	12	-	304	304
		<u>111</u>	<u>573</u>	<u>684</u>
<b>Financial Liabilities</b>				
Trade and other payables	16	-	322	322
Loans from related corporations	17	15,665	1,824	17,489
		<u>15,665</u>	<u>2,146</u>	<u>17,811</u>

Company

2011	Notes	Floating Interest Rate \$000	Non Interest Bearing \$000	Total \$000
<b>Financial Assets</b>				
Cash and cash equivalents	10	-	-	-
Trade and other receivables	11	-	-	-
Loan to a joint venture of the Company	12	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
<b>Financial Liabilities</b>				
Trade and other payables	16	-	329	329
Loans from related corporations	17	16,530	2,747	19,277
Loans from subsidiaries	16	-	12,337	12,337
		<u>16,530</u>	<u>15,413</u>	<u>31,943</u>

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200514993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 20. Financial risk management (continued)**

(a) Market Risk (continued)

(ii) Interest Rate Risk (continued)

**Company**

2010	Notes	Floating Interest Rate \$000	Non Interest Bearing \$000	Total \$000
<b>Financial Assets</b>				
Cash and cash equivalents	10	-	-	-
Trade and other receivables	11	-	-	-
Loan to a joint venture of the Company	12	-	-	-
		-	-	-
<b>Financial Liabilities</b>				
Trade and other payables	16	-	302	302
Loans from related corporations	17	15,665	16	15,681
Loans from subsidiaries	16	-	6,991	6,991
		15,665	7,309	22,974

If interest rates moved by 1% (2010: 1%) and with all other variables including tax rate being held constant, the effects arising from the net financial liability / asset position will be as follows:

	2011		2010	
	Profit / (loss) after tax \$'000	Equity \$'000	Profit / (loss) after tax \$'000	Equity \$'000
<b>Group</b>				
- increased	(136)	(136)	(129)	(129)
- decreased	136	136	129	129
<b>Company</b>				
- increased	(137)	(137)	130	130
- decreased	137	137	(130)	(130)

(b) Credit Risk

The Group has no significant concentrations of credit risk for each class of its financial assets. The Company earns revenue based upon pre-determined contract rates. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of appointing only franchisees with appropriate credit credentials and obtaining sufficient collateral where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. Credit exposure to an individual counterparty is monitored by management based on ongoing credit evaluations.

The Group and the Company have not provided any Corporate guarantees other than those disclosed in note 17.

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 20. Financial risk management (continued)**

(b) Credit Risk (continued)

The trade receivables of the Group comprise 6 debtors (2010: 7 debtors) that individually represent between 2% (2010: 1%) and 67% (2010: 55%) of trade receivables. The credit risk for trade and other receivables based on the information provided to key management is as follows:

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
By geographical areas:				
People's Republic of China	6	7	-	-
Japan	37	44	-	-
Korea	11	14	-	-
Singapore	236	315	-	-
Taiwan	-	18	-	-
Thailand	194	153	-	-
United Arab Emirates	25	22	-	-
	<b>509</b>	<b>573</b>	<b>-</b>	<b>-</b>

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade and other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group. The Group's trade and other receivables not past due include receivables amounting to \$272,000 (2010: \$269,000).

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables. The age analysis of trade and other receivables past due but not impaired is as follows:

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Past due < 3 months	13	-	-	-
Past due 3 to 6 months	-	-	-	-
Past due over 6 months	-	-	-	-
	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>

The carrying amount of trade and other receivables approximate their fair values hence there is no allowance for impairment.

The carrying amount of the receivable from a joint venture is determined to be impaired and the movement in the related allowance for impairment is as follows:

	Group		Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Gross amount	2,030	2,030	-	-
Less: Allowance for impairment	1,806	1,726	-	-
	<b>224</b>	<b>304</b>	<b>-</b>	<b>-</b>
Beginning of financial year	304	305	-	-
Allowance made	(80)	(1)	-	-
Allowance utilised	-	-	-	-
End of financial year	<b>224</b>	<b>304</b>	<b>-</b>	<b>-</b>

The impaired receivable from the joint venture arises due to the underperforming results of the operations.

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 20. Financial risk management (continued)**

(c) Liquidity Risk (continued)

The Group manages liquidity risk by maintaining sufficient cash and available funding through facilities managed by a related corporation.

The Group and the Company manage the liquidity risk by maintaining sufficient cash and marketable securities to enable them to meet their normal operating commitments, having an adequate amount of committed credit facilities.

The table below analyses the maturity profile of the financial liabilities (including derivative financial liabilities) of the Group and the Company based on contractual undiscounted cash flows.

<u>Group</u>	<u>Less than 1 year</u> \$'000	<u>Between 1 and 2 years</u> \$'000	<u>Between 2 and 5 years</u> \$'000	<u>Over 5 years</u> \$'000
At 30 April 2011				
Trade and other payables	354	-	-	-
Borrowings	2,727	4,639	16,530	-
	<u>3,081</u>	<u>4,639</u>	<u>16,530</u>	<u>-</u>
At 30 April 2010				
Trade and other payables	322	-	-	-
Borrowings	1,637	3,461	16,692	-
	<u>1,959</u>	<u>3,461</u>	<u>16,692</u>	<u>-</u>

<u>Company</u>	<u>Less than 1 year</u> \$'000	<u>Between 1 and 2 years</u> \$'000	<u>Between 2 and 5 years</u> \$'000	<u>Over 5 years</u> \$'000
At 30 April 2011				
Trade and other payables	12,666	-	-	-
Borrowings	2,727	4,451	16,530	-
	<u>15,393</u>	<u>4,451</u>	<u>16,530</u>	<u>-</u>
At 30 April 2010				
Trade and other payables	7,293	-	-	-
Borrowings	1,637	1,653	16,692	-
	<u>8,930</u>	<u>1,653</u>	<u>16,692</u>	<u>-</u>

(d) Capital risk

All external debt including related party debt comply with all external capital requirements.

**SingCo Trading Pte. Ltd.  
and its subsidiaries**

Registration Number: 200511993H

**Notes to Financial Statements  
For the financial year ended 30 April 2011**

**Note 21. Related party transactions**

**Transactions with related parties**

The following transactions occurred with related parties:

		Group		Company	
		2011	2010	2011	2010
		\$000	\$000	\$000	\$000
<b>(a) Sale and purchases of goods and services</b>					
Operating expenses incurred by	Subsidiary	-	-	6,678	-
Operating expenses incurred by	Related entity	830	1,000	830	4
Interest charged by	Related entity	2,313	1,371	2,313	1,371
<b>(b) Loans to / from related parties</b>					
Loan received from	Subsidiary	-	-	5,346	250
Loan received from	Related entity	4,110	-	5,729	-
Loan repayment paid	Related entity	-	649	-	-
Interest paid to	Related entity	2,134	1,373	2,134	1,373
<b>Key management personnel compensation - directors of the Group</b>					
Salaries and short term employee benefits		121	173	121	-

**Note 22. New or revised accounting Standards and Interpretations**

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 May 2011 and which the Group has not yet adopted:

Amendments to FRS 24 - Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

Amendments to FRS 32 - Financial Instruments: Presentation - Classification of rights issues (effective for annual periods beginning on or after 1 February 2011)

Amendments to INT FRS 114 - Prepayments of a minimum funding requirement (effective for annual periods beginning on or after 1 January 2011)

INT FRS 119 Extinguishing financial liabilities with equity instruments (effective for annual periods beginning on or after 1 July 2011)

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

**Note 23. Subsequent Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the company in subsequent financial years.

**Note 24. Authorisation of the financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of SingCo Trading Pte Ltd on 13 July 2011.