

SingCo Trading Pte. Ltd.

(Incorporated in Singapore, Registration Number: 200511993H)
and its subsidiaries

Annual Report

For the financial year ended 30 April 2010

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

ANNUAL REPORT
For the financial year ended 30 April 2010

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DIRECTORS' REPORT

For the financial year ended 30 April 2010

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 2010 and the balance sheet of the Company at 30 April 2010.

Directors

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

Robert Ilar Koczkar
Min-tze Lean
Simon Charles Arthur Perkins
James Thomas Ryan
Shannon David Joshua Wolfers (appointed 1 April, 2010)

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 is 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 2010	At 1 May 2009 or date of appointment, if later
Simon Charles Arthur Perkins	25,408	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 2010

Share options

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

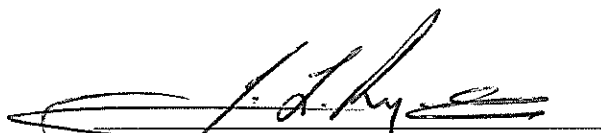
No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

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

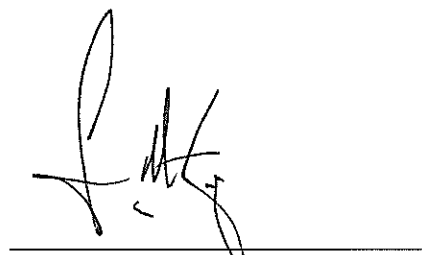
Independent Auditor

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

On behalf of the directors



JAMES THOMAS RYAN
Director



MIN-TZE LEAN
Director

21 July, 2010

Date

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

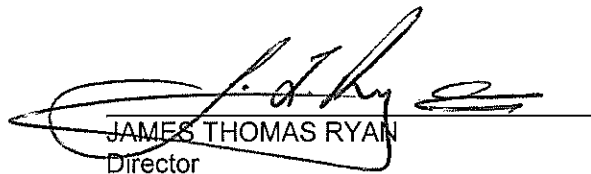
STATEMENT BY DIRECTORS

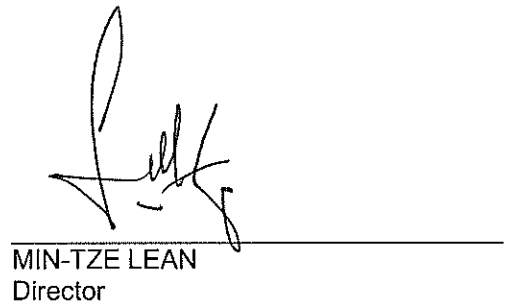
For the financial year ended 30 April 2010

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 37 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 2010 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 Group for a period of fifteen months from the financial year ended 30 April, 2010.

On behalf of the directors


JAMES THOMAS RYAN
Director


MIN-TZE LEAN
Director

21 July, 2010

Date

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

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 37, which comprise the balance sheets of the Company and of the Group as at 30 April 2010, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting control 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

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 as to 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 and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SINGCO TRADING PTE LTD

(continued)

Opinion

In our opinion,

- (a) 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 2010, and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) 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, 21 July 2010

SingCo Trading Pte. Ltd. and its subsidiaries

Registration Number: 200511993H

Consolidated Statement of Comprehensive Income For the financial year ended 30 April 2010

	Note	Group	
		2010 \$000	2009 \$000
Continuing Operations			
Revenue	4	2,871	2,979
Cost of sales		-	-
Gross profit		2,871	2,979
Franchise management expenses		(697)	(636)
Administrative expenses		(1,362)	(1,325)
Finance costs - net	7	(1,410)	(1,709)
Share of joint venture's profit (net of tax)	13	129	8
Loss before income tax		(469)	(683)
Income tax expense	8	(82)	(365)
Loss from continuing operations		(551)	(1,048)
Discontinued Operations			
Profit from discontinued operations	9	53	6
Total loss		(498)	(1,042)
Other comprehensive income:			
Currency translation differences arising from consolidation		(3,418)	3,633
Other comprehensive income / (loss), net of tax		(3,418)	3,633
Total comprehensive income / (loss)		(3,916)	2,591

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 2010

	Note	Group		Company	
		2010 \$000	2009 \$000	2010 \$000	2009 \$000
ASSETS					
Current assets					
Cash and cash equivalents	10	111	104	-	-
Trade and other receivables	11	269	314	-	-
Total current assets		380	418	-	-
Non-current assets					
Receivables	12	304	305	-	-
Investments in joint ventures	13	371	196	-	-
Investments in subsidiaries	14	-	-	15,665	13,294
Intangible assets	15	12,134	13,377	-	-
Total non-current assets		12,809	13,878	15,665	13,294
Total assets		13,189	14,296	15,665	13,294
LIABILITIES					
Current liabilities					
Trade and other payables	16	322	1,508	7,293	5,971
Total current liabilities		322	1,508	7,293	5,971
Non-current liabilities					
Borrowings	17	17,489	13,294	15,681	13,294
Deferred tax liabilities	18	1,648	1,848	-	-
Total non-current liabilities		19,137	15,142	15,681	13,294
Total liabilities		19,459	16,650	22,974	19,265
NET LIABILITIES		(6,270)	(2,354)	(7,309)	(5,971)
EQUITY					
Share Capital	19	1	1	1	1
Currency translation reserve		(2,884)	534	370	150
Accumulated losses		(3,387)	(2,889)	(7,680)	(6,122)
Total equity		(6,270)	(2,354)	(7,309)	(5,971)

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 2010**

	Share Capital	Currency translation reserve	Accumulated losses	Total Equity
	\$000	\$000	\$000	\$000
2010				
Beginning of the financial year	1	534	(2,889)	(2,354)
Total comprehensive loss for the year	-	(3,418)	(498)	(3,916)
Total recognised loss	-	(3,418)	(498)	(3,916)
End of the financial year	1	(2,884)	(3,387)	(6,270)
2009				
Beginning of the financial year	1	(3,099)	(1,847)	(4,945)
Total comprehensive income / (loss) for the year	-	3,633	(1,042)	2,591
Total recognised gain / (loss)	-	3,633	(1,042)	2,591
End of the financial year	1	534	(2,889)	(2,354)

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 2010

	Note	Group	
		2,010 \$000	2009 \$000
Cash flows from operating activities:			
Receipts from customers		3,013	3,056
Payments to suppliers and employees		(1,450)	(1,347)
Interest received		-	1
Interest and other borrowing costs paid		(1,400)	(2,895)
Income taxes paid		(466)	(465)
Net operating cash flows		(303)	(1,650)
Cash flows from investing activities:			
Protection of franchise rights		-	-
Proceeds from sale of plant and equipment		-	-
Net investing cash flows		-	-
Cash flow from financing activities:			
Proceeds from borrowings		921	740
Repayment of borrowings		(597)	-
Net financing cash flows		324	740
Net (decrease) / increase in cash and cash equivalents		21	(910)
Cash and cash equivalents at the beginning of the financial year		104	823
Exchange rate variations on foreign cash and cash equivalents		(14)	191
Cash and cash equivalents at the end of the financial year	10	111	104

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

Notes to the Financial Statements
For the financial year ended 30 April 2010

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 9 Raffles Place #32-00, Republic Plaza, Singapore 048619.

The Group is principally engaged in the business of selling rights to offer 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 2009

On 1 May 2009, 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 following are the new or revised FRS and INT FRS that are relevant to the Group:

- *FRS 1 (revised), Presentation of financial statements* (effective from 1 January 2009). The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity. All non-owner changes in equity are shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has chosen to adopt the former alternative. Where comparative information is restated or reclassified, a restated balance sheet is required to be presented as at the beginning of the comparative period. There is no restatement of the balance sheet as at 1 May 2008 in the current financial year.

Notes to the Financial Statements
For the financial year ended 30 April 2010

2. Significant accounting policies (continued)

Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2009 (continued)

- *Amendment to FRS 107 Improving Disclosures about Financial Statements* (effective from 1 January 2009). The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment has not resulted in additional disclosures and does not have an impact on the accounting policies and measurement bases adopted by the Group.

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, 2010.

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.

Notes to the Financial Statements
For the financial year ended 30 April 2010

2. Significant accounting policies (continued)

Group accounting (continued)

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.

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.

Notes to the Financial Statements
For the financial year ended 30 April 2010

2. Significant accounting policies (continued)

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.

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 2010

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 balance sheet.

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 2010

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 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 2010

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 2010

2. Significant accounting policies (continued)

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- (i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (ii) for receivables and payables which are recognised inclusive of GST.

The net amount of GST payable to the taxation authority is included as part of trade and other payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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.

Notes to the Financial Statements
For the financial year ended 30 April 2010

2. Significant accounting policies (continued)

Financial assets (continued)

(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 within "Administrative expenses".

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.

Notes to the Financial Statements
For the financial year ended 30 April 2010

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.

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**Notes to Financial Statements
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Group	
2010	2009
\$000	\$000

Note 4. Revenue

Franchise revenue	2,921	3,070
Charges for doubtful debts - non current receivables	(50)	(91)
	2,871	2,979

Note 5. Expenses by nature

Employee benefits	417	249
Professional and consulting expenses	526	659
Amortisation	600	649
Other expenses	516	404
	2,059	1,961

Note 6. Employee benefits

Employee benefits expense:		
Wages and salaries	389	237
Other employee entitlements	28	12
Total employee benefits expense	417	249
Less: Amounts attributable to discontinued operations	-	-
Amounts attributable to continuing operations	417	249

Note 7. Finance expenses

Finance costs:		
Interest expense:		
Related corporations	1,410	1,709
Other	-	-
Finance expense recognised in the income statement	1,410	1,709

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	Group	
	2010	2009
	\$000	\$000

Note 8. Income taxes

Income tax expense

Tax expense attributable to result is made up of:

Current income tax	466	474
Deferred income tax (note 18)	(131)	(109)
Effect of change in tax rate	(253)	-
	<u>82</u>	<u>365</u>
From discontinued operations		
Current income tax	-	(9)
	<u>82</u>	<u>356</u>

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	(469)	(683)
Discontinued operations	53	(3)
	<u>(416)</u>	<u>(686)</u>
Tax calculated at a rate of 17% (2009: 18%)	<u>(71)</u>	<u>(123)</u>
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Tax refund from discontinued operations	-	(9)
Withholding tax credits not brought to account	466	474
Deferred tax liabilities recovered	(131)	(109)
Effect of change in tax rate	(253)	-
Tax losses not brought to account	71	123
	<u>153</u>	<u>479</u>
Tax charge	<u>82</u>	<u>356</u>

Movements in current income tax liabilities

Beginning of financial year	-	-
Income tax expense	466	465
Income tax paid	(466)	(465)
End of financial year	<u>-</u>	<u>-</u>

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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 process was completed on 31 July 2006. Transactions in the form of realised foreign exchange and other minor charges have continued post ceasing the operations.

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

	2010 \$000	2009 \$000
Revenue	-	-
Expenses	53	(3)
Profit / (loss) before tax from discontinued operations	53	(3)
Tax	-	9
Profit after tax from discontinued operations	53	6

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

	2010 \$000	2009 \$000
Operating cash flows	-	8
Investing cash flows	-	-
Financing cash flows	-	-
Exchange rate variations on foreign cash and cash equivalents	2	-
Total cash flows	2	8

Group		Company	
2010	2009	2010	2009
\$000	\$000	\$000	\$000

Note 10. Cash and cash equivalents

Cash at bank and on hand	111	104	-	-
	111	104	-	-

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

Cash and cash equivalents are denominated in the following currencies:

New Zealand Dollar (effective interest rate 0.2%, 2009: 0.2%)	10	8	-	-
United States Dollar (effective interest rate 0.1%, 2009: 0.1%)	101	96	-	-
	111	104	-	-

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Group		Company	
2010	2009	2010	2009
\$000	\$000	\$000	\$000

Note 11. Trade and other receivables - current

Trade receivables	269	314	-	-
Other receivables	-	-	-	-
	<u>269</u>	<u>314</u>	<u>-</u>	<u>-</u>

Trade and other receivables are denominated in the following currency

United States Dollar	269	314	-	-
	<u>269</u>	<u>314</u>	<u>-</u>	<u>-</u>

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

Note 12. Receivables - non current

Loans to a joint venture of the Company [net of accumulated impairment charge \$1,726,000 (2009: \$1,725,000)]

	304	305	-	-
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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

Name of Company	Principal Activities	Country of Incorporation	Equity holding		2010	2009		
			2010	2009				
			%	%				
Sizzler Steak Seafood Salad (S) Pte Ltd	Operating retail food outlets	Singapore	50	50	-	-	-	-
Sizzler China Pte. Ltd	Franchisor of Restaurants	Singapore	50	50	371	196	-	-
Movements in carrying amounts								
					196	220	-	-
					129	8	-	-
					46	(32)	-	-
					<u>371</u>	<u>196</u>	<u>-</u>	<u>-</u>
Share of joint venture's profit								
					163	43	-	-
					(34)	(35)	-	-
					<u>129</u>	<u>8</u>	<u>-</u>	<u>-</u>

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	Group		Company	
	2010	2009	2010	2009
	\$000	\$000	\$000	\$000
Note 13. Investments in joint ventures (continued)				
Summarised financial information of joint venture (Group's share)				
Assets:				
Current Assets	380	253	-	-
Liabilities:				
Current Liabilities	(23)	(25)	-	-
Net Assets	357	228	-	-
Sales	230	132	-	-
Expenses	(67)	(89)	-	-
Profit before tax	163	43	-	-
Income tax	(34)	(35)	-	-
Profit after tax	129	8	-	-

There are no capital commitments unrecognised at at year end.

Note 14. Investments in subsidiaries

Unquoted equity investment at cost

Beginning of financial year	13,294	15,601
Foreign exchange revaluation	2,371	(2,307)
Acquisition during financial year	-	-
End of financial year	15,665	13,294

Name of controlled entity	Activity	Place of incorporation	% of shares held	
			2010 %	2009 %
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

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Group		Company	
2010	2009	2010	2009
\$000	\$000	\$000	\$000

Note 15. Intangible assets

Composition

Goodwill arising on consolidation (Note (a))	2,444	2,594	-	-
Other intangibles - Sizzler Brand (Note (b))	9,690	10,783	-	-
	<u>12,134</u>	<u>13,377</u>	<u>-</u>	<u>-</u>

(a) Goodwill arising on consolidation

Goodwill

Cost

Opening balance	2,594	2,415	-	-
Foreign exchange revaluation	(150)	179	-	-
Closing Balance	<u>2,444</u>	<u>2,594</u>	<u>-</u>	<u>-</u>

Accumulated amortisation and impairment

Opening balance	-	-	-	-
Disposals	-	-	-	-
Amortisation	-	-	-	-
Impairment	-	-	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Net book value

	<u>2,444</u>	<u>2,594</u>	<u>-</u>	<u>-</u>
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(b) Other Intangibles - Sizzler Brand

Cost

Opening balance	12,972	12,097	-	-
Additions	-	-	-	-
Foreign exchange revaluation	(608)	875	-	-
Closing balance	<u>12,364</u>	<u>12,972</u>	<u>-</u>	<u>-</u>

Accumulated amortisation and impairment

Opening balance	(2,189)	(1,434)	-	-
Disposals	-	-	-	-
Amortisation	(600)	(649)	-	-
Foreign exchange revaluation	115	(106)	-	-
Closing balance	<u>(2,674)</u>	<u>(2,189)</u>	<u>-</u>	<u>-</u>

Net book value

	<u>9,690</u>	<u>10,783</u>	<u>-</u>	<u>-</u>
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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 (2009: 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.

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Group		Company	
2010	2009	2010	2009
\$000	\$000	\$000	\$000

Note 15. Intangible assets (continued)

Key assumptions used for value-in-use calculations:

Earnings growth rate of 6.7% (Earnings growth rate stated is the average annual rate) (2009: 12.9%)

Earnings multiple of 7.2 (As per third party consultants) (2009: 7.8)

Discount factor of 9.6% (Pre-tax discount rate applied to the pre-tax cash flow projections) (2009: 8.8%)

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	21	19	-	-
Other accruals for operating expenses	301	237	302	237
Loans from related corporations	-	1,252	-	13
Loans from subsidiaries	-	-	6,991	5,721
Total payables	322	1,508	7,293	5,971

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	21	21	6,992	5,723
Singapore Dollar	57	42	57	42
Australian Dollar	244	1,445	244	206
	322	1,508	7,293	5,971

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Group		Company	
2010	2009	2010	2009
\$000	\$000	\$000	\$000

Note 17. Borrowings

Loans from related corporations (i)	1,824	-	16	-
Loans from related corporations (ii)	15,665	13,294	15,665	13,294
Total non-current liabilities - Borrowings	17,489	13,294	15,681	13,294

(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, 2010.

(ii) On 22 September 2005 a related corporation, Collins Foods Finance Pty Limited, a subsidiary of Collins Foods Holding Pty Limited, entered into Senior and Mezzanine credit facilities with a syndicate of lenders led by National Australia Bank. The bank loans were allocated to Facility A and Facility B for \$AUD 75.0 million each and provide for a five-year term expiring on 23 September 2010 and a \$AUD 70.0 million Mezzanine Facility which has a six-year term expiring on 23 September 2011. As a consequence of these arrangements, the Company together with several related entities, including Collins Foods Holding Pty Limited and the majority of its subsidiaries, became registered guarantors of all the obligations with respect to these loan facilities.

A loan from Collins Foods Finance Pty Limited to SingCo Trading Pte Ltd in AUD was created and the interest charged is the rate applicable to the Mezzanine Facility plus a margin of 0.5%, which is repriced on a quarterly basis. Subsequent to establishing these facilities, repayments have been made to Facility A and Facility B. The balances as at the current reporting date are \$AUD 16.7 million (2009: \$AUD 35.9 million Facility A), \$AUD 62.8 million (2009: \$AUD 65.2 million Facility B) and \$AUD 70.0m (2009: \$AUD 70.0 million Mezzanine Facility).

The rate of interest applicable to the Mezzanine Facility is BBSY plus the applicable margin of 5.5% which is determined with reference to the gearing ratio of Collins Foods Holding Pty Limited. At 30 April 2010 this rate of interest was 10.0% (2009: 8.6%)

The loan is to be repaid upon one of the following events occurring:

- (a) the date on which an administrator or liquidator is appointed to Collins Foods Finance Pty Limited or Sizzler USA Finance, Inc.
- (b) the date on which funds exclusively managed and advised by Pacific Equity Partners Pty Ltd cease to have an investment in SingoCo Trading Pte. Ltd.
- (c) 14 December 2012, being the date six years after the date of the agreement.

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

The carrying amounts of the loans from related corporations approximated their fair values at balance sheet date.

Subsequent to the end of the fiscal year, Collins Foods Finance Pty Limited has refinanced its bank loans (see note 23).

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:

Beginning of fiscal year	1,848	1,962	-	-
Foreign exchange revaluation	184	(5)	-	-
Effect of change in tax rate	(253)	-	-	-
Credited to the income statement (note 8)	(131)	(109)	-	-
Closing balance	1,648	1,848	-	-
Deferred tax liabilities to be recovered within 12 months	103	131	-	-
Deferred tax liabilities to be recovered after more than 12 months	1,545	1,717	-	-
	1,648	1,848	-	-

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Note 19. Share Capital

	Issued share Capital	Share Capital \$000
2009		
Beginning and end of financial year	1,000,089	1
2010		
Beginning and end of financial year	1,000,089	1

All issued ordinary shares with no par value are fully paid

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
At 30 April 2010						
Financial assets						
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>
Financial liabilities						
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>
Net financial assets / (liabilities)		247	(17,733)	349	10	(17,127)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies		-	15,925	(349)	-	15,576
Currency exposure on financial assets / (liabilities)		247	(1,808)	-	10	(1,551)

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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
At 30 April 2009						
Financial assets						
Cash and cash equivalents	10	-	-	96	8	104
Trade and other receivables	11	-	-	314	-	314
Receivables - non current	12	305	-	-	-	305
		<u>305</u>	<u>-</u>	<u>410</u>	<u>8</u>	<u>723</u>
Financial liabilities						
Borrowings	17	-	13,294	0	-	13,294
Trade and other payables	16	42	1,445	21	-	1,508
		<u>42</u>	<u>14,739</u>	<u>21</u>	<u>-</u>	<u>14,802</u>
Net financial assets / (liabilities)		263	(14,739)	389	8	(14,079)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies						
		-	13,500	(389)	-	13,111
Currency exposure on financial assets / (liabilities)		<u>263</u>	<u>(1,239)</u>	<u>-</u>	<u>8</u>	<u>(968)</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
At 30 April 2010						
Financial assets						
Cash and cash equivalents	10	-	-	-	-	-
Trade and other receivables	11	-	-	-	-	-
Receivables - non current	12	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities						
Borrowings	17	-	15,681	-	-	15,681
Trade and other payables	16	57	244	6,992	-	7,293
		<u>57</u>	<u>15,925</u>	<u>6,992</u>	<u>-</u>	<u>22,974</u>
Net financial assets / (liabilities)		(57)	(15,925)	(6,992)	-	(22,974)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies						
		-	15,925	-	-	15,925
Currency exposure on financial assets / (liabilities)		<u>(57)</u>	<u>-</u>	<u>(6,992)</u>	<u>-</u>	<u>(7,049)</u>

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**Notes to Financial Statements
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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 2009</u>						
Financial assets						
Cash and cash equivalents	10	-	-	-	-	-
Trade and other receivables	11	-	-	-	-	-
Receivables - non current	12	-	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		-	-	-	-	-
Financial liabilities						
Borrowings	17	-	13,294	-	-	13,294
Trade and other payables	16	42	206	5,723	-	5,971
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		42	13,500	5,723	-	19,265
Net financial assets / (liabilities)		(42)	(13,500)	(5,723)	-	(19,265)
Less: Net financial liabilities / (assets) denominated in the respective entities' functional currencies						
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		-	13,500	-	-	13,500
Currency exposure on financial assets / (liabilities)		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		(42)	-	(5,723)	-	(5,765)

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**Notes to Financial Statements
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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% (2009: 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:

	2010		2009	
	Profit / (loss) after tax \$'000	Equity \$'000	Profit / (loss) after tax \$'000	Equity \$'000
<u>Group</u>				
AUD against SGD				
- strengthened	(150)	(1,472)	(102)	(1,209)
- weakened	150	1,472	102	1,209
NZD against SGD				
- strengthened	1	1	1	1
- weakened	(1)	(1)	(1)	(1)
USD against SGD				
- strengthened	-	29	-	32
- weakened	-	(29)	-	(32)
<u>Company</u>				
AUD against SGD				
- strengthened	-	(1,322)	-	(1,107)
- weakened	-	1,322	-	1,107
USD against SGD				
- strengthened	(580)	(580)	(469)	(469)
- weakened	580	580	469	469

(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

2010	Notes	Floating Interest Rate \$000	Non Interest Bearing \$000	Total \$000
Financial Assets				
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>
Financial Liabilities				
Trade and other payables	16	-	322	322
Loans from related corporations	16, 17	15,665	1,824	17,489
		<u>15,665</u>	<u>2,146</u>	<u>17,811</u>

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Note 20. Financial risk management (continued)

(a) Market Risk (continued)

(ii) Interest Rate Risk (continued)

Group

2009	Notes	Floating Interest Rate \$000	Non Interest Bearing \$000	Total \$000
Financial Assets				
Cash and cash equivalents	10	104	-	104
Trade and other receivables	11	-	314	314
Loan to a joint venture of the Company	12	-	305	305
		<u>104</u>	<u>619</u>	<u>723</u>

Financial Liabilities

Trade and other payables	16	-	256	256
Loans from related corporations	16, 17	13,294	1,252	14,546
		<u>13,294</u>	<u>1,508</u>	<u>14,802</u>

Company

2010	Notes	Floating Interest Rate \$000	Non Interest Bearing \$000	Total \$000
Financial Assets				
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>

Financial Liabilities

Trade and other payables	16	-	302	302
Loans from related corporations	16, 17	15,665	16	15,681
Loans from subsidiaries	16	-	6,991	6,991
		<u>15,665</u>	<u>7,309</u>	<u>22,974</u>

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**Notes to Financial Statements
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Note 20. Financial risk management (continued)

(a) Market Risk (continued)

(ii) Interest Rate Risk (continued)

Company

2009	Notes	Floating Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000
Financial Assets				
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>
Financial Liabilities				
Trade and other payables	16	-	237	237
Loans from related corporations	16, 17	13,294	13	13,307
Loans from subsidiaries	16	-	5,721	5,721
		<u>13,294</u>	<u>5,971</u>	<u>19,265</u>

If interest rates moved by 1% (2009: 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:

	2010		2009	
	Profit / (loss) after tax \$'000	Equity \$'000	Profit / (loss) after tax \$'000	Equity \$'000
Group				
- increased	(129)	(129)	(108)	(108)
- decreased	129	129	108	108
Company				
- increased	(130)	(130)	109	109
- decreased	130	130	(109)	(109)

(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.

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Notes to Financial Statements
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Note 20. Financial risk management (continued)

(b) Credit Risk (continued)

The trade receivables of the Group comprise 7 debtors (2009: 6 debtors) that individually represent between 1% (2009: 1%) and 55% (2009: 51%) of trade receivables. The credit risk for trade and other receivables based on the information provided to key management is as follows:

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
By geographical areas:				
People's Republic of China	7	7	-	-
Japan	44	45	-	-
Korea	14	94	-	-
Singapore	315	313	-	-
Taiwan	18	21	-	-
Thailand	153	139	-	-
United Arab Emirates	22	-	-	-
	<u>573</u>	<u>619</u>	<u>-</u>	<u>-</u>

(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 \$269,000 (2009: \$242,000).

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

At balance date no other class of financial assets were past due and / or impaired. The age analysis of trade and other receivables past due but not impaired is as follows:

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Past due < 3 months	-	72	-	-
Past due 3 to 6 months	-	-	-	-
Past due over 6 months	-	-	-	-
	<u>-</u>	<u>72</u>	<u>-</u>	<u>-</u>

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:

	<u>Group</u>		<u>Company</u>	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Gross amount	2,030	2,030	-	-
Less: Allowance for impairment	<u>1,726</u>	<u>1,725</u>	<u>-</u>	<u>-</u>
	<u>304</u>	<u>305</u>	<u>-</u>	<u>-</u>
Beginning of financial year	305	468	-	-
Allowance made	(1)	(163)	-	-
Allowance utilised	-	-	-	-
End of financial year	<u>304</u>	<u>305</u>	<u>-</u>	<u>-</u>

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

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**Notes to Financial Statements
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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>	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
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>

At 30 April 2009

Trade and other payables	1,508	-	-	-
Borrowings	1,210	1,210	15,263	-
	<u>2,718</u>	<u>1,210</u>	<u>15,263</u>	<u>-</u>

<u>Company</u>	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000
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>

At 30 April 2009

Trade and other payables	5,971	-	-	-
Borrowings	1,210	1,210	15,263	-
	<u>7,181</u>	<u>1,210</u>	<u>15,263</u>	<u>-</u>

(d) Capital risk

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

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Notes to Financial Statements For the financial year ended 30 April 2010

Note 21. Related party transactions

Transactions with related parties

The following transactions took place between the Group and related parties during the financial year:

		Group		Company	
		2010	2009	2010	2009
		\$000	\$000	\$000	\$000
Sale and purchases of goods and services					
Loan received from	Subsidiary	-	-	250	3,645
Loan repayment paid	Related entity	649	-	-	-
Interest payable	Related entity	1,371	1,553	1,371	1,553
Operating expenses paid by	Related entity	1,000	750	4	1
Interest paid to	Related entity	1,373	2,737	1,373	2,737
Key management personnel compensation - directors of the Group					
Salaries and short term employee benefits		173	185	-	-

Note 22. New or revised accounting Standards and Interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 May 2010 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

(a) Amendments to FRS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items (effective for annual periods beginning on or after 1 July 2009)

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The Group will apply this amendment from 1 May 2010, but it is not expected to have a material impact on the financial statements.

(b) INT FRS 117 Distributions of Non-Cash Assets to Owners (effective for annual periods beginning on or after 1 July 2009)

INT FRS 117 clarifies how the Group should measure distributions of assets, other than cash, to its owners. INT FRS 117 specifies that such a distribution should only be recognised when appropriately authorised, and that the dividend should be measured at the fair value of the assets to be distributed. The difference between the fair value and the carrying amount of the assets distributed should be recognised in profit or loss. INT FRS 117 applies to pro rata distributions of non-cash assets except for distributions to a party or parties under common control.

The Group will apply INT FRS 117 from 1 May 2010, but it is not expected to have a material impact on the financial statements.

(c) INT FRS 118 Transfer of Assets to Customers (effective for annual periods beginning on or after 1 July 2009)

INT FRS 118 prescribes the accounting requirements for arrangements where the Group receives an item of property, plant and equipment from a customer which must be used to provide an ongoing service to the customer. It also applies to cash received from a customer that must be used to acquire or construct such property, plant and equipment.

The Group will apply INT FRS 118 from 1 May 2010, but it is not expected to have a material impact on the financial statements.

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Notes to Financial Statements For the financial year ended 30 April 2010

Note 22. New or revised accounting Standards and Interpretations (continued)

(d) FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009).

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply FRS 27 (revised) prospectively to transactions with minority interests from 1 May 2010.

(e) FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply FRS 103 (Revised) prospectively to all business combinations from 1 May 2010.

Note 23. Subsequent Events

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.

In addition, the shareholders amended the Shareholders Agreement and the Company entered into a shadow equity deed dated June 30, 2010 to provide for the issuance of shadow equity to third party financiers. In exchange for the issuance of shadow equity in relation to ordinary shares, the Company received proceeds of \$AUD 388 on June 30, 2010. The rights granted to holders of shadow equity units are equivalent to those of the ordinary share classes to which they relate except that proceeds payable to holders of shadow equity units upon disposal are required to be cash settled by the Company. The Company is currently determining the appropriate accounting treatment for shadow equity.

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 21 July 2010.