



Island Horti-Tech Holdings Pte. Ltd.
Registration Number: 198303588Z

Annual Report
Year ended 31 March 2018

Directors' statement

We are pleased to submit this annual report to the member of the Company, together with the audited financial statements for the financial year ended 31 March 2018.

In our opinion:

- (a) the financial statements set out on pages FS1 to FS19 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provision of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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.

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

Directors

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

Jayant Shripad Gadgil
Ness Wadia

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related companies are as follows:

Name of directors and company in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Ultimate holding company		
The Bombay Burmah Trading Corporation Ltd		
<u>Ordinary shares fully paid</u>		
Jayant Shripad Gadgil	–	750
Ness Wadia	5,000	5,000

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

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

Share options

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

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

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Jayant Shripad Gadgil
Director



Ness Wadia
Director

04 MAY 2018



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Independent auditors' report

Member of the Company
Island Horti-Tech Holdings Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Island Horti-Tech Holdings Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 March 2018, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS19.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements*' section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors 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 Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Company's internal controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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.


KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
4 May 2018

Statement of financial position
As at 31 March 2018

	Note	2018 \$	2017 \$
Assets			
Property, plant and equipment	4	13,014	19,845
Subsidiaries	5	4,314,808	4,314,808
Club memberships	6	–	–
Non-current assets		4,327,822	4,334,653
Trade and other receivables	7	10,884,804	11,539,827
Prepayments		–	1,156
Cash and cash equivalents		205,363	420,980
Current assets		11,090,167	11,961,963
Total assets		15,417,989	16,296,616
Equity attributable to owner of the Company			
Share capital	8	2,000,000	2,000,000
Retained earnings		11,509,260	11,912,731
Total equity		13,509,260	13,912,731
Liabilities			
Trade and other payables	9	1,889,729	2,366,285
Current tax liabilities		19,000	17,600
Current liabilities/Total liabilities		1,908,729	2,383,885
Total equity and liabilities		15,417,989	16,296,616

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

Statement of profit or loss and other comprehensive income
Year ended 31 March 2018

	Note	2018	2017
		\$	\$
Revenue			
Commission income from subsidiary		166,841	169,951
Other operating income			
Interest income from related companies		293,329	246,034
Other income		3,119	5,162
Total other operating income		296,448	251,196
Expenses			
Staff costs		(103,183)	(89,296)
Contributions to defined contribution plans		(11,281)	(16,978)
Depreciation of property, plant and equipment		(7,345)	(7,216)
Foreign exchange (loss)/gain		(671,275)	346,110
Other operating expenses		(58,737)	(44,484)
Total expenses		(851,821)	188,136
(Loss)/Profit before tax		(388,532)	609,283
Tax expense	10	(14,939)	(24,176)
(Loss)/Profit for the year/Total comprehensive (loss)/income for the year		(403,471)	585,107

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

Statement of changes in equity
Year ended 31 March 2018

	Share capital	Retained earnings	Total
	\$	\$	\$
At 1 April 2016	2,000,000	11,327,624	13,327,624
Total comprehensive income for the year			
Profit for the year	–	585,107	585,107
Total comprehensive income for the year	–	585,107	585,107
At 31 March 2017	2,000,000	11,912,731	13,912,731
At 1 April 2017	2,000,000	11,912,731	13,912,731
Total comprehensive income for the year			
Loss for the year	–	(403,471)	(403,471)
Total comprehensive loss for the year	–	(403,471)	(403,471)
At 31 March 2018	2,000,000	11,509,260	13,509,260

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

Statement of cash flows
Year ended 31 March 2018

	2018	2017
	\$	\$
Cash flows from operating activities		
(Loss)/Profit for the year	(403,471)	585,107
Adjustments for:		
Depreciation of property, plant and equipment	7,345	7,216
Interest income	(293,329)	(246,034)
Tax expense	14,939	24,176
	(674,516)	370,465
Changes in:		
– trade and other receivables	–	400
– prepayments	1,156	(1,156)
– trade and other payables	8,669	(10,597)
	(664,691)	359,112
Cash (used in)/generated from operating activities	293,329	246,034
Interest received	(13,539)	(6,576)
Tax paid	(384,901)	598,570
Net cash (used in)/from operating activities	(384,901)	598,570
Cash flows from investing activities		
Acquisition of property, plant and equipment	(514)	–
Amounts due to subsidiary	(82,995)	–
Amounts due from related companies	(34,893)	(32,859)
Amounts due from immediate holding company	102,320	(43,864)
Decrease/(Increase) in advances to related companies	670,591	(347,834)
Net cash used in investing activities	654,509	(424,557)
Cash flows from financing activities		
Amounts due to subsidiaries	(519,598)	(85,064)
Amounts due to ultimate holding company	38,421	–
Amounts due to related company	(4,048)	885
Net cash used in financing activities	(485,225)	(84,179)
Net (decrease)/increase in cash and cash equivalents	(215,617)	89,834
Cash and cash equivalents at 1 April	420,980	331,146
Cash and cash equivalents at 31 March	205,363	420,980

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 May 2018.

1 Domicile and activities

Island Horti-Tech Holdings Pte. Ltd. (the “Company”) is a company incorporated in Singapore. The address of the Company’s registered office and place of business is at Plot 13, PSA Nursery, 3 Joan Road, Singapore 298897.

The principal activity of the Company is that relating to investment holding.

The immediate holding company is Leila Lands Sdn Bhd, incorporated in Malaysia and its ultimate holding company is The Bombay Burmah Trading Corporation Limited, incorporated in India.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company’s functional currency. All financial information are presented in Singapore dollars, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is Note 5 – Impairment losses on subsidiaries.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from their activities. In assessing control, potential voting rights presently exercisable are taken into account.

Investment in subsidiaries in the Company's statement of financial position is stated at cost less accumulated impairment losses.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative years are as follows:

Computer software	3 to 5 years
Office equipment	3 to 10 years
Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is calculated based on the cost of the asset less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

Club membership 15 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into loans and receivables category.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents comprise cash at bank.

Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.6 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at a specific asset level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term benefits

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

3.8 Revenue

Commission income

Commission income is based on a certain percentage of the sales of hydro plants of a subsidiary. It is recognised as commission income when the sales had taken place.

Interest income

Interest income is recognised using the effective interest method.

3.9 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income as incurred except to the extent that they are capitalised. Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

3.10 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017, and have not been applied in preparing these financial statements.

For those new standards and amendments to standards that are expected to have an effect on the financial statements of the Company in future financial periods, the Company is assessing the transition option and the potential impact of its financial statements and to implement those standards.

4 Property, plant and equipment

	Computer software \$	Office equipment \$	Motor vehicles \$	Total \$
Cost				
At 1 April 2016,				
31 March 2017	1,677	34,968	174,421	211,066
Additions	–	514	–	514
At 31 March 2018	<u>1,677</u>	<u>35,482</u>	<u>174,421</u>	<u>211,580</u>
Accumulated depreciation				
At 1 April 2016	1,677	34,968	147,360	184,005
Charge for the year	–	–	7,216	7,216
At 31 March 2017	1,677	34,968	154,576	191,221
Charge for the year	–	129	7,216	7,345
At 31 March 2018	<u>1,677</u>	<u>35,097</u>	<u>161,792</u>	<u>198,566</u>
Carrying amounts				
At 1 April 2016	–	–	27,061	27,061
At 31 March 2017	–	–	19,845	19,845
At 31 March 2018	<u>–</u>	<u>385</u>	<u>12,629</u>	<u>13,014</u>

5 Subsidiaries

	2018 \$	2017 \$
Unquoted equity shares, at cost	<u>4,314,808</u>	<u>4,314,808</u>

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation/ business	Effective equity held by the Company	
			2018 %	2017 %
<i>Held by the Company:</i>				
Island Landscape & Nursery Pte Ltd	Provision of decorative plants and landscape services	Singapore	100	100
Innovative Organics Inc.	Investment holding	United States of America	58.80	58.80
Myanmar Island Horti-Tech Ltd	Dormant	Myanmar	100	100
<i>Held by subsidiary:</i>				
Granum Inc.	Manufacturing and selling organic teas	United States of America	58.80	58.80

Consolidated financial statements of the Company and its subsidiaries have not been prepared as the Company is itself a wholly-owned subsidiary of The Bombay Burmah Trading Corporation Limited, a company incorporated in India. Consolidated financial statements are published by The Burmah Trading Corporation Limited, whose registered office is at 9, Wallace Street, Fort, Mumbai 400,001.

Impairment losses investment in subsidiaries

The Company evaluates, amongst other factors, the financial health of and near-term business outlook for the investment and operational and financing cash flows, to assess the recoverable amounts of its investments in subsidiaries.

Differences between the actual performance of the subsidiaries and management's annual impairment review will affect the results of the period in which such differences are determined. The recoverable amount of the Company's investment in subsidiaries could change significantly as a result of changes in market conditions and the assumptions used in determining the recoverable amount. An increase in impairment losses will increase other expense and decrease non-current assets/current assets.

6 Club memberships

		\$
Cost		
At 1 April 2016 and 31 March 2017 and 31 March 2018		66,600
Accumulated amortisation and impairment loss		
At 1 April 2016 and 31 March 2017 and 31 March 2018		66,600

7 Trade and other receivables

	2018	2017
	\$	\$
Deposits	10,650	10,650
Amounts due from immediate holding company	–	102,320
Advances to related companies	10,605,712	11,276,303
Amounts due from related companies	185,447	150,554
Amounts due from subsidiary	82,995	–
	10,884,804	11,539,827

Amounts due from the immediate holding company, related companies and subsidiary are non-trade, interest-free, unsecured and repayable on demand.

The advances to related companies are non-trade related, unsecured, bear interest at LIBOR plus 1% (2017: LIBOR plus 1%) per annum and are repayable on demand.

All balances with immediate holding company, subsidiary and related companies are not past due and accordingly, no impairment loss is made.

The Company's exposure to currency risks related to trade and other receivables is disclosed in note 12.

8 Share capital

	No. of shares	
	2018	2017
Issued and fully paid ordinary shares, with no par value:		
At beginning and end of financial year	2,000,000	2,000,000

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

9 Trade and other payables

	2018	2017
	\$	\$
Amounts due to subsidiary	1,643,820	2,163,418
Amounts due to related company	50,043	54,091
Amounts due to related party	17,008	17,008
Amounts due to ultimate holding company	38,421	–
Accrued expenses	140,437	131,768
	1,889,729	2,366,285

Amounts due to subsidiary, related company, related party and ultimate holding company are non-trade, interest-free, unsecured and repayable on demand.

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 12.

10 Tax expense

	2018	2017
	\$	\$
Current tax expense		
Current year	19,000	17,600
Adjustment for prior year	(4,061)	6,576
Tax expense	14,939	24,176
 <i>Reconciliation of effective tax rate</i>		
(Loss)/Profit before tax	(388,532)	609,283
Tax using the Singapore tax rate of 17% (2017: 17%)	(66,050)	103,578
Tax exempt income and tax incentives	(29,914)	(86,833)
Non-deductible expenses	115,406	1,352
Adjustment for prior year	(4,061)	6,576
Other	(442)	(497)
	14,939	24,176

11 Related parties

Key management personnel compensation

The directors are employees of the related companies and the Company does not reimburse the related companies for the service rendered.

Other related party transactions

Other than disclosed elsewhere in the financial statements, there are no significant transactions with related parties.

12 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- foreign currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Company, as and when they fall due.

The Company has established credit limits for customers and monitors their balances.

The Company places its cash and cash equivalents with financial institutions of high credit rating. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position.

The Company's primary exposure to credit risk arises through balances with related parties. Management believes that no allowance is required on these balances.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The expected contractual undiscounted cash outflows of trade and other payables are expected to be repaid within one year.

Interest rate risk

Interest rate risk is the potential changes in the value of assets and liabilities as a result of movements in interest rates. The Company's exposure to market risk for changes in interest rate relates primarily to the Company's fixed deposits with financial institutions, amounts due to subsidiaries and advances to related companies.

At the reporting date, the interest rate profile of the interest bearing financial instrument was:

	2018	2017
	\$	\$
Advances to related companies	10,605,712	11,276,303

Sensitivity analysis

A change of 100 basis points in interest rates at the reporting date would have increased profit or loss by \$106,057 (2017: \$112,763). This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Foreign currency risk

The Company incurs foreign currency risk on balances with related companies that are denominated in currencies other than its functional currencies. The currency giving rise to this risk is primarily United States dollars (USD).

The Company's exposures to foreign currency are as follows:

		USD
		\$
2018		
Advances to related companies		10,605,712
Amounts due to related company		(50,043)
		10,555,669
2017		
Advances to related companies		11,276,303
Amounts due to related company		(54,091)
		11,222,212

Sensitivity analysis

A 10% strengthening of Singapore dollar as indicated below, against USD at 31 March would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant as indicated below:

	Profit or loss	
	2018	2017
	\$	\$
USD	(1,055,577)	(1,122,221)

A 10% weakening of the Singapore dollar against the above currencies at 31 March would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Company does not have specific capital management policy as this is managed by the holding company.

The Company defined capital as share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

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

The Company is not subject to externally imposed capital requirements.

Fair values

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

Financial instruments by category

Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements.

	Loans and receivables	Financial liabilities at amortised cost	Total
	\$	\$	\$
2018			
Assets			
Trade and other receivables	10,884,804	–	10,884,804
Cash and cash equivalents	205,363	–	205,363
	<u>11,090,167</u>	<u>–</u>	<u>11,090,167</u>
Liabilities			
Trade and other payables	–	1,889,729	1,889,729
	<u>–</u>	<u>1,889,729</u>	<u>1,889,729</u>
2017			
Assets			
Trade and other receivables	11,539,827	–	11,539,827
Cash and cash equivalents	420,980	–	420,980
	<u>11,960,807</u>	<u>–</u>	<u>11,960,807</u>
Liabilities			
Trade and other payables	–	2,366,285	2,366,285
	<u>–</u>	<u>2,366,285</u>	<u>2,366,285</u>

13 Contingent liabilities (unsecured)

The Company had given a letter of comfort in favour of a bank for banking facilities granted to a subsidiary.

