MAMA COMPANY  
(Company registration number: 123456789)

UNAUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The director present this statement to the member together with the unaudited financial statements of MAMA COMPANY (“the Company”) for the financial year ended 31 December 2016.

1. OPINION OF THE DIRECTOR
2. the accompanying financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; and
3. 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.
4. DIRECTOR

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

phoebeeee appointed on 01 July 2018

1. ARRANGEMENTS TO ENABLE DIRECTOR TO ACQUIRE SHARES AND DEBENTURES

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

1. DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

According to the register of director’s shareholdings, none of the director holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

|  |  |  |
| --- | --- | --- |
|  | At the beginning of financial year | At the end of financial year |
| The Company |
| phoebeeee | 123 | 234 |

1. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive a benefit which is required to be disclosed under the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the directors or with a firm of which he is a member, or with a Company in which he has a substantial financial interest, except as disclosed in the financial statements.

1. OPTIONS GRANTED

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

1. OPTIONS EXERCISED

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

1. OPTIONS OUTSTANDING

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

phoebeeee  
Director

Singapore, July 27 2018

|  |  |  |
| --- | --- | --- |
|  | Notes | 01.01.2016  to  31.12.2016  $ |
| Revenue |  | 429,477 |
| Less: Cost of sales |  | (312,581) |
| Gross profit |  | 116,896 |
| Other income | 5 | - |
| Expenses |
| -Administrative |  | (32,305) |
| -Distribution and marketing |  | - |
| Profit before income tax |  | 84,591 |
| Income tax expense |  |
| Net profit and total comprehensive income for the year/period |  | 84,591 |

|  |  |  |
| --- | --- | --- |
|  | Notes | 2016  $ |
| ASSETS |
| Current assets |
| Bank balances |  | 277,676 |
| Trade and other receivables |  | 95 |
|  |  | 277,771 |
| Non-current assets |
| Total assets |  | 277,771 |
| LIABILITIES |
| Current liabilities |
| Trade and other payables |  | - |
| Trade and other payables |  | 202,783 |
| Total liabilities |  | 202,783 |
| Non-current liabilities |
|  |  |  |
| Total liabilities |  | 202,783 |
| NET ASSETS |  | 74,988 |
| EQUITY |  |
| Share Capital | 4 | 100 |
| Retained Profits |  | 88,012 |
| Total Equity |  | 100 |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Share capital | Retained profits | Total |
|  | $ | $ | $ |
| Balance as at 01 January 2016 | 100 | 3,421 | 3,521 |
| Total comprehensive income for the financial period | - | 84,591 | 84,591 |
| Balance as at 31 December 2016 | 100 | 88,012 | 88,112 |

|  |  |
| --- | --- |
|  | 01.01.2016  to  31.12.2016  $ |
| Cash flows from operating activities |
| Profit before income tax | 84,591 |
| Adjustments for: |
|  | 84,591 |
| Change in working capital |
| Trade and other receivables | 95 |
| Trade and other payables | - |
| Cash generated from operations | 84,686 |
| Income tax paid | - |
| Net cash generated from operating activities | 84,686 |
| Cash flows from investing activities |
| Additions to plant and equipment |
| Net cash investing activities |
| Cash flows from financing activities: |
| Proceeds from issuance of ordinary shares | - |
| (Advances)/repayment from a shareholder | - |
| Interest paid | - |
| Net cash generated from financing activities | - |
| Net increase in cash and cash equivalents | 84,686 |
| Cash and cash equivalents at beginning of financial year/period | - |
| Cash and cash equivalents at end of financial year/period | 84,686 |

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

1. GENERAL INFORMATION

The Company is incorporated and domiciled in Singapore.

The Company’s principal activities are those to carry-on the businesses of q

The Company’s registered office is at q

The financial statements of the Company for the financial year ended December 31 2016 were authorised for issue in accordance with a resolution of the directors on the date of Statement by Directors.

1. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
   1. Basis of preparation
      1. Basis of accounting

The financial statements are 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 Company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity,or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3

* + 1. Adoption of new and revised Singapore Financial Reporting Standards

On July 10 2018 the Company adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application for the financial year. The adoption of these new or amended FRS and INT FRS did not result insubstantial changes of the Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial period.

* 1. Summary of significant accounting policies
     + 1. Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company’s activities. Sales are presented net of goods and services tax, rebates and discounts.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company’s activities are met.

* 1. Service income

Service income is recognised when services are rendered.

* 1. Sale of goods

Revenue from these sales is recognised when a Company has delivered the products to the customer,the customer has accepted the products and collectability of the related receivables is reasonably assured.

* + - 1. Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

* + 1. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

* + 1. Employee leave entitlement

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

* + - 1. Operating lease payments

Payments made under operating leases (net of any incentives received from the lessor) are recognized in profit or loss on a straight-line basis over the period of lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

* + - 1. Summary of significant accounting policies
      2. Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method

* + - 1. Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities,using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax 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.

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

Deferred income tax is measured:

* + - 1. at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
      2. based on the tax consequence that will follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

* + - 1. Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

* + - * 1. Summary of significant accounting policies
      1. Plant and equipment
         1. Measurement

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

The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

* + - * 1. Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated plant and equipment still in use are retained in the financial statements.

* + - * 1. Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

* + - * 1. Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss

Summary of significant accounting policies

* + - 1. Impairment of non-financial assets

Non-financial assets 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.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed 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 or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

* + - 1. Financial assets

Classification

The classification of financial assets depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets,except for those maturing later than 12 months after the end of financial reporting date which are presented as non-current assets. Loans and receivables are presented as “trade receivables” and “cash and bank balances” on the statement of financial position.

Summary of significant accounting policies

Financial assets (Cont’d)

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables and financial assets are subsequently carried at amortised cost using the effective interest method.

Impairment

The Company assesses at each end of financial reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The allowance for impairment loss account is reduced through the profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

Summary of significant accounting policies

* + - 1. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

* + - 1. Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs)and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

* + - 1. Cash and cash equivalents

For the purpose presentation in the statement of cash flows, cash and cash equivalents include deposits with financial institutions which are subject to an insignificant risk of change

* + - 1. Cash and cash equivalents

Dividends to the Company’s shareholders are recognized when the dividends are approved for payment.

* + - 1. Currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’).The financial statements are presented in Singapore Dollar, which is the Company’s functional and presentation currency

Summary of significant accounting policies

Currency translation (Cont’d)

* + 1. Currency translation (Cont’d)

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions.Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of financial reporting date are recognised in the profit or loss, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the financial statements and transferred to profit or loss as part of the gain or loss on disposal of the foreign operation.

* + - 1. Share capital

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

1. 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

During the financial year, the management did not make any critical estimates and assumptions that had a significant effect on the amounts recognised in the financial statements

Critical judgements in applying the Company’s accounting policies

In the process of applying the Company’s accounting policies, the directors are of the opinion that there is no application of critical judgement on the amounts recognised in the financial statements.

1. OTHER INCOME

|  |  |
| --- | --- |
|  |  |
|  | 01.01.2016  to  31.12.2016  $ |
| Foreign Exchange Loss | 6,001 |
|  | 6,001 |
|  |

|  |
| --- |
| 1. SHARE CAPITAL |
|  | Number of ordinary shares | $ |
| Issued and fully paid: |
| At beginning of financial year | 100 | 100 |
| Issuance of ordinary shares | - |
| At end of financial year/period | 100 | 100 |
|  |
| All issued ordinary shares are fully paid. The newly issued shares rank pari passu in all respects with the previously issued shares. There is no par value for the ordinary share. The holder of the ordinary share is entitled to receive dividends as end when declared by the Company. | | | |

1. FINANCIAL RISK MANAGEMENT

The Company’s activities expose it to a variety of financial risks. The Company’s overall business strategies, tolerance risk and general risk management philosophy are determined by directors in accordance with prevailing economic and operating conditions.

Currency risk

The Company’s exposure to foreign exchange risk is minimal as transactions are predominantly denominated in Singapore Dollar, being the functional currency of the Company.

Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Company has no significant interest bearing assets or liabilities, the Company’s income and operating cash flows are substantially independent of changes in market interest rates.

Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Company maintains sufficient cash balances to provide flexibility in meeting its day to day funding requirements. Cash and cash equivalents are placed with credit worthy institutions.

The Company’s financial liabilities are due less than 1 year based on the remaining period from the reporting date to the contractual maturity date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Fair value measurements

The Company does not have any financial instruments as at end of the financial year which are measured at fair value. The carrying values of other receivables and other payables are assumed to approximate their fair values.

Credit risk

Credit risk is the risk that companies and other parties will be unable to meet their obligations to the Company resulting in financial loss to the Company. The Company manages such risks by dealing with a diverse of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections. The Company places its cash and cash equivalents with creditworthy institutions.

Credit risk (Cont’d)

The maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial period in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

The credit risk for receivables based on the information provided to key management is as follows:

* 1. 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. Other receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Company.

* 1. Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

Capital risk

The Company’s objectives when managing capital are:

The capital structure of the Company consists primarily of equity, comprising issued share capital.

The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions. It may maintain or adjust its capital structure through the payment of dividends, return of capital or issue of new shares.

1. RELATED PARTY TRANSACTIONS

Related parties comprise mainly of companies which are controlled or significantly influenced by the Company’s key management personnel and their close family members.

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The directors and executive officers of the Company are considered as key management personnel of the Company.

1. RELATED PARTY TRANSACTIONS (CONT’D)

The inter-company balances are unsecured and interest-free, unless stated otherwise, and are subject to the normal credit terms of the respective parties and are repayable on demand.

Key management personnel compensation

Director’s remuneration

1. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company’s accounting periods beginning on or after 1 January 2017 or later periods and which the Company has not early adopted.

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

1. COMPARATIVE FIGURES

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

1. COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on 1 July 2014 to 31 December 2015. This being the first set of financial statements,there are no comparative.

End of unaudited financial statements

|  |  |
| --- | --- |
|  | 01.01.2016  to  31.12.2016  $ |
| Revenue | 429,477 |
| Less: Cost of sales | 312,581 |
| Gross profit | 116,896 |
|  |
| Add: Other income |
| Exchange gain - trade | - |
| Exchange gain - non-trade | - |
|  | - |
| Less: Expenses |
| Administrative expenses (Appendix II) | 32,305 |
| Distribution and marketing expenses (Appendix II)  - |
|  | (32,305) |
| Profit before income tax | 84,591 |

|  |  |
| --- | --- |
|  | 01.01.2016  to  31.12.2016  $ |
| Administrative expenses |
| Freight charges | 6,403 |
| Accounting fee | 11,299 |
| Secretarial fee | 1,125 |
| Telephone expenses | 261 |
| Travelling expenses | 7,063 |
| E | 505 |
|  | (32,305) |
| Distribution and marketing expenses |
|  | - |
| Finance expenses |
|  | - |