

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
(Registration No.201025088K)
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

31ST DECEMBER 2011

TAN WEE TIN & CO.
Certified Public Accountants

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
(Registration No.201025088K)
AND ITS SUBSIDIARY COMPANIES

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AND ITS SUBSIDIARY COMPANIES

COMPANY PROFILE

Board of Directors : Gregory Francis Casagrande
Nancy Tan

Secretary : Nancy Tan

Registered office : 1 Goldhill Plaza
#03-39 Podium Block
Singapore 308899

Independent auditors : Messrs Tan Wee Tin & Co.
Certified Public Accountants

Bankers : The Hongkong and Shanghai Banking Corporation
Limited
Australia and New Zealand Banking Group Limited
(ANZ) Bank
Samoa Commercial Bank
Tonga Development Bank
Westpac Banking Corporation

Financial Institutions : Cresud
David Adams
Deutsche Bank Microfinance Fund
Good Return
Jasmine Charitable Trust
Kiva Micro Funds
Micro Dreams Foundation
OikoCredit
Planis
Whole Planet Finance

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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DIRECTORS' REPORT

The directors submit to the member their report together with the audited financial statements of the group and of the company for the financial period from 25th November 2010 (date of incorporation) to 31st December 2011.

1. DIRECTORS

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

Gregory Francis Casagrande	(appointed on 25th November 2010)
Nancy Tan	(appointed on 25th November 2010)

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register of directors' shareholdings, none of the directors who held office had any interests in the shares, share options, warrants or debentures of the company, or of related corporations either at the date of incorporation, appointment date or at end of the financial period.

However, the company's holding company SPBD Microfinance Holdings(Delaware) L.L.C does not issue shares. A director, Gregory Francis Casagrande, is the sole incorporator and owner.

4. DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the date of incorporation, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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5. SHARE OPTIONS

There were no options granted during the financial period to subscribe for unissued shares of the company. No shares have been issued during the financial period by virtue of the exercise of option to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial period.

6. INDEPENDENT AUDITORS

The independent auditors, Messrs Tan Wee Tin & Co., have expressed their willingness to accept re-appointment.



GREGORY FRANCIS CASAGRANDE
Director



NANCY TAN
Director

Dated: [Date] 09/25/2012

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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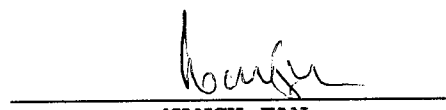
STATEMENT BY THE DIRECTORS

In the opinion of the directors,

- a. The accompanying financial statements together with the annexed notes set out on pages 6 to 31 are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at 31st December 2011 and of the results of the business, changes in equity of the group and of the company and cash flows of the group for the financial period from 25th November 2010 (date of incorporation) to 31st December 2011; 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.



GREGORY FRANCIS CASAGRANDE
Director



NANCY TAN
Director

Dated: [Date] 09/25/2012



INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDER OF SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of SPBD Microfinance Holdings (Singapore) Pte. Ltd. (the company) and its subsidiary companies (collectively, the group) set out on pages 6 to 31, which comprise the statements of financial position of the group and the company as at 31st December 2011, the statements of changes in equity and consolidated statements of comprehensive income of the group and the company, and consolidated statement of cash flows of the group for the financial period from 25th November 2010 (date of incorporation) to 31st December 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; 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 statement of financial position and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the group and the company are 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 group and the company as at 31st December 2011 and the results, changes in equity and cash flows of the group for the period from 25th November 2010 (date of incorporation) to 31st December 2011.

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 and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Tan Wee Tin

TAN WEE TIN & CO.
Public Accountants and
Certified Public Accountants
Singapore
25th September 2012
S-255/sh



SPED MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
 (Registration No.201025088K)
AND ITS SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER 2011

<u>ASSETS</u>	<u>Note</u>	<u>The Group</u> <u>2011</u> US\$	<u>The Company</u> <u>2011</u> US\$
<u>Non-current assets</u>			
Goodwill	3	720,943	-
Property, plant and equipment	4	179,152	-
Investments in subsidiary companies	5	-	371,851
		900,095	371,851
<u>Current assets</u>			
Loans portfolio	6	4,098,299	-
Amounts owing by subsidiary companies	5	-	93,682
Other receivables, deposits and prepayment		48,855	1,540
Other asset		675	-
Cash and cash equivalents	7	1,407,203	3,854
		5,555,032	99,076
TOTAL ASSETS		6,455,127	470,927
<u>EQUITY AND LIABILITIES</u>			
<u>Current liabilities</u>			
Members' savings deposits	8	595,299	-
Amount owing to holding company	9	-	-
Other payables and accruals		145,066	4,619
Amount owing to a related party	10	12,731	-
Borrowings	12	864,566	-
Provision for taxation	17b	46,944	2,871
Bank overdrafts	11	990,878	-
		2,655,484	7,490
<u>Non-current liability</u>			
Borrowings	12	2,973,332	-
TOTAL LIABILITIES		5,628,816	7,490
Net assets		826,311	463,437
<u>EQUITY</u>			
Share capital	13	1	1
Advance share application	14	635,597	426,851
Profit unappropriated		206,361	36,585
Foreign currency translation adjustment		(15,648)	-
TOTAL EQUITY		826,311	463,437
TOTAL EQUITY AND LIABILITIES		6,455,127	470,927

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

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 25TH NOVEMBER 2010 (DATE OF INCORPORATION)
TO 31ST DECEMBER 2011

	<u>Share capital US\$</u>	<u>Profit unappropriated US\$</u>	<u>Advance share application US\$</u>	<u>Foreign currency translation adjustment US\$</u>	<u>Total US\$</u>
<u>The Group</u>					
Balance as at 25th November 2010	1	-	-	-	1
Total comprehensive income	-	206,361	-	-	206,361
Advance share application monies	-	-	635,597	-	635,597
Foreign currency translation adjustment	-	-	-	(15,648)	(15,648)
Balance as at 31st December 2011	1	206,361	635,597	(15,648)	826,311
<u>The Company</u>					
Balance as at 25th November 2010	1	-	-	-	1
Advance share application monies	-	-	426,851	-	426,851
Total comprehensive income	-	36,585	-	-	36,585
Balance as at 31st December 2011	1	36,585	426,851	-	463,437

The accompanying notes form an integral part of the financial statements

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 25TH NOVEMBER 2010 (DATE OF INCORPORATION)
TO 31ST DECEMBER 2011

	<u>Note</u>	<u>The Group</u> <u>2011</u> <u>US\$</u>	<u>The Company</u> <u>2011</u> <u>US\$</u>
Revenue		1,672,039	222,466
Direct expenses		(304,263)	-
Gross profit		1,367,776	222,466
Other operating income	15	168,982	-
Administrative expenses		(73,578)	(13,909)
Other operating expenses		(1,120,651)	(169,101)
Operating profit		342,529	39,456
Finance costs		(89,155)	-
Profit before taxation	16	253,374	39,456
Taxation	17a	(47,013)	(2,871)
Profit after taxation		206,361	36,585
Other comprehensive income		-	-
Total comprehensive income		206,361	36,585

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

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 25TH NOVEMBER 2010 (DATE OF INCORPORATION)
TO 31ST DECEMBER 2011

	<u>2011</u> US\$
<u>Cash flows from operating activities</u>	
Profit before taxation	253,374
Adjustments for:-	
Depreciation of property, plant and equipment	34,208
Gain on disposal of property, plant and equipment	<u>(7,577)</u>
Operating cash flows before working capital changes	280,005
Changes in operating assets and liabilities	
Loan portfolio	(2,099,992)
Other receivables, deposits and prepayment	(16,191)
Other asset	(675)
Members' savings deposits	285,932
Amount owing to a related party	12,731
Other payables and accruals	<u>(110,521)</u>
Net cash outflows from operating activities	<u>(1,648,711)</u>
<u>Cash flows from investing activities</u>	
Net cash inflows from acquisition of subsidiaries (Note A)	376,646
Proceeds from disposal of property, plant and equipment	43,226
Purchase of property, plant and equipment	<u>(412,756)</u>
Net cash inflows from investing activities	<u>7,118</u>
<u>Cash flows from financing activities</u>	
Advance shares application	635,597
Borrowings	1,549,465
Bank overdrafts	<u>990,878</u>
Net cash inflows from financing activities	<u>3,175,940</u>
Net increase in cash and cash equivalents	1,534,349
Cash and cash equivalents at beginning of the period	<u>(127,146)</u>
Cash and cash equivalents at end of the period (Note 7)	<u><u>1,407,203</u></u>

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

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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Note AAcquisition of subsidiaries

During the financial period, the fair value of net assets of the subsidiary companies acquired was as follows:-

	US\$
<u>Assets acquired</u>	
Property, plant and equipment	133,371
Loan portfolio receivables	1,998,307
Other receivables, deposit and prepayments	32,664
Other assets	974
Cash and cash equivalents	<u>748,497</u>
	<u>2,913,813</u>
Less:-	
<u>Liabilities acquired</u>	
Borrowings	2,290,513
Members' savings deposits	309,367
Life insurance reserve (see Note 2b(v))	6,947
Other payables and accruals	<u>248,640</u>
	<u>2,855,467</u>
Net assets acquired	58,346
Goodwill	<u>313,505</u>
Purchase consideration	371,851
Less:- Cash and cash equivalents acquired	<u>748,497</u>
Net cash inflows	<u><u>376,646</u></u>

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

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER 2011

1. GENERAL INFORMATION

- a) The company is a private limited liability company incorporated and domiciled in Singapore. The address of the company's registered office is:-

1 Goldhill Plaza
#03-39 Podium Block
Singapore 308899

- b) The principal activities of the group are the provision of financial assistance to economically disadvantaged people.

The company's principal activities are those of investment holding.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except otherwise disclosed below.

The financial statements are presented in United States dollar (US\$), the functional currency, and all values are rounded to the nearest dollar.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's and the group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Interpretations and amendments to published standards effective in 2010

On 25th November 2010, the company and 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 company and the group's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

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

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Revenue recognition

Revenue, which can be reliably measured is recognised to the extent that the economic benefits will flow to the company. The following recognition criteria is used before revenue is recognised:-

i) Management income

Revenue from management is recognised when services are rendered.

ii) Interest income from loans receivable

Interest income from loan portfolio is recognised using a cash-based method where they are recognised at the time they are received. Hence, if the loan (with the interest) is paid before it is due, then the interest income is recognised at the time of collection, whereas if the loan (with the interest) is in arrears then no interest income is recognised.

iii) Development fees

The company charges a fee of 2% of principal loan amount which is used to cover the cost of training members, loan evaluation and monitoring. This fee is deducted from the loan proceeds, and is recognised in the period received.

iv) Loan insurance fee

The company charges and withholds 1% to 2% as an insurance on the principal loan amount plus interest issued to the members as security in case of death of the member before full payment of their loans (applies to group loans only). The loan insurance fee is treated as income as it is not refundable to the member upon payment of the loan and is recognised in the period in which it is received.

v) Life insurance fee

The company offers a Life Micro-insurance Product to help the families of the group's members to reduce the burden of bereavement and funeral expenses when a member dies.

The life insurance fee is treated as income as it is not refundable to the members and is recognised in the period in which it is received. The life insurance fee is deducted from the loan proceeds.

vi) Restructure fee

The restructured loan fees were from members who had great difficulty in paying off their loans for various reasons but these members have expressed their intent of paying off their loans based on agreed terms. Restructure fee is determined by small claims tribunal referees. The restructuring of these loans was approved by the group's principal director.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Revenue recognition (cont'd)

vii) Savings withdrawal fee

A fee is charged by the group to its members when they make withdrawals from their savings accounts and is recognised in the period received.

viii) Grant income

Grant income is recognised when there is

- i) Entitlement to the grant,
- ii) Virtual certainty that it will be received and
- iii) Sufficient measurability of the amount.

c) Consolidation

The consolidated financial statements comprise the separate financial statements of the company and its subsidiary companies as at the end of the reporting period. Consistent accounting policies are applied for like transactions and events in similar circumstances. A list of the group's subsidiary companies is shown in note 5 to the financial statements.

All intra-group balances, transactions, income and expenses and profit and losses resulting from intra-group transactions are eliminated in full.

Subsidiary companies are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisitions of the subsidiary companies are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interests.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the statement of comprehensive income on the date of acquisition.

Non-controlling interests represent the portion of profit or loss and net assets in the subsidiary companies not held by the group. They are presented in the consolidated statements of financial position within equity, separately from the parent shareholders' equity, and are separately disclosed in the consolidated statements of comprehensive income.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

d) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated:-

- Represents the lowest level within the group at which the goodwill is monitored for internal management purposes; and
- Is not larger than a segment based on either the group's primary or the group's secondary reporting format.

When determining goodwill, assets and liabilities of the acquired interest are translated using the exchange rate at the date of acquisition if the financial statements of the acquired interest are not denominated in USD.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the unit may be impaired by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed off and the portion of the cash-generating unit retained.

e) Property, plant and equipment

i) Measurement

All property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of property, plant and equipment include all direct attributable costs of bringing the asset to its working condition and location.

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Property, plant and equipment (cont'd)

ii) Depreciation

Depreciation is computed on a straight-line basis over the expected useful lives of the assets concerned as follows:-

	<u>Useful lives</u>
Leasehold improvement	2 to 20 years
Furniture and fixtures	2 to 8 years
Office equipment	2 to 8 years
Computer equipment and peripherals	2 to 5 years
Motor vehicles	2 to 5 years
Software and electronics system	3 to 4 years

ii) Depreciation (cont'd)

The useful lives of property, plant and equipment and their respective residual values at the end of each reporting period are reviewed and, where appropriate, adjusted. The adjustments, if any, are taken to the statement of comprehensive income.

iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income.

f) Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) where as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset when the reimbursement is a certainty. If the effect of the time value of money is material, provisions determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where applicable, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Loans portfolio

Loans, net of loan loss allowance and loan insurance loss reserve, include direct financial assistance provided to economically disadvantaged people particularly women who cannot easily access savings and loan products from traditional banks.

They are carried at recoverable amount represented by the gross value of the outstanding balance adjusted for loan loss allowance and loan insurance loss reserve.

i) Loan loss allowance

The group conducts loan loss provisioning every quarter to maintain an adequate reserve for doubtful loans. The reserve is determined by applying predicted loss percentages to aged loans grouped by lateness of payment. A loan becomes late as a weekly scheduled payment is missed. The group applies the following conservative predicted loss ratios.

Allowance ratios for group loans

<u>Loan aging</u>	<u>Loan loss allowance</u>
1 week to 4 weeks late	5%
5 weeks to 8 weeks late	10%
9 weeks to 12 weeks late	25%
13 weeks to 16 weeks late	50%
17 weeks to 20 weeks late	75%
21 weeks or more	100%

h) Impairment of assets

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

For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (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 impairment loss is recognised in the statement of comprehensive income.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

i) Interest in subsidiary companies

Shares in subsidiary companies held on a long-term basis are stated at cost. Provision for loss is made for any impairment in value.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in bank and short-term deposits.

k) Operating leases

Rental payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the relevant lease terms.

l) Foreign currencies translations

Monetary assets and liabilities maintained in foreign currencies are translated into United States dollars at the approximate rates of exchange ruling prevailing at the end of the reporting period. Transactions during the financial period have been converted at the rates prevailing at the transaction dates. All exchange differences are dealt with in the statement of comprehensive income.

m) Related party

A related party is a person or entity that is related to the group and the company in the following respects:-

- a) A person or a close member of that person's family is related to the group if that person:-
- i) has control or joint control over the company or;
 - ii) has significant influence over the company or;
 - iii) is a member of the key management personnel of the company or of a parent of the company.
- b) An entity is related to the group and the company if any of the following conditions applies:-
- i) the entity and the company are members of the same group (which means each parent, subsidiary and fellow subsidiary is related to the others);
 - ii) one entity is an associate or joint venture of the company (or an associate or joint venture of a member of a group of which the other entity is a member);
 - iii) both other entity and the company are joint ventures of the same third party;
 - iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the group;
 - vi) the entity is controlled or jointly controlled by a person identified in (a);
 - viii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

n) Deferred taxation

Income tax is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant timing differences. A deferred tax asset is taken up only where there is a reasonable expectation of realisation.

o) 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.

i) Critical accounting estimates and assumptions

a) Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 2g).

b) Uncertain tax positions

The group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction.

c) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

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2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

o) Critical accounting estimates, assumptions and judgements (cont'd)

i) Critical accounting estimates and assumptions (cont'd)

d) Allowance for loan loss

The group makes allowance for doubtful receivables on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The group specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts. Where the expectations differ from the original estimates, the differences will impact the carrying value of receivables.

e) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. The estimated useful lives applied by the group as disclosed in note 2(e) to the financial statements reflects the group's estimate of the period that the group expects to derive future economic benefits from the use of the group's property, plant and equipment. These are common life expectancies applied in the various business segments of the group. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; therefore future depreciation charges could be revised.

ii) Critical judgements made in applying accounting policies

There are no critical judgments made by the group in the process of applying the group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

3. GOODWILL

The goodwill is made up as follows:-

	<u>The Group</u>
	<u>only</u>
	<u>2011</u>
	US\$
Goodwill arising from acquisition of subsidiaries	313,505
Purchased goodwill (see note below)	407,438
	720,943

Goodwill arose from the excess of purchase price paid by a subsidiary in acquiring a business since its formation on 18th January 2000, representing the reputation established with clients, lenders, the government of Samoa and all other stakeholders.

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4. PROPERTY, PLANT AND EQUIPMENT

<u>The Group only</u>	<u>Leasehold improvement</u> US\$	<u>Furniture and fixtures</u> US\$	<u>Office equipment</u> US\$	<u>Computer equipment and peripherals</u> US\$	<u>Motor vehicles</u> US\$	<u>Software and electronics systems</u> US\$	<u>Total</u> US\$
<u>2011</u>							
Cost							
- From subsidiaries acquired	13,742	22,529	12,102	23,299	119,719	10,963	202,354
Additions from subsidiary Disposals	6,758	28,274	19,209	97,427	259,839	1,249	412,756
Translation adjustment	-	-	-	-	(59,968)	-	(59,968)
	201	866	513	758	4,077	448	6,863
- At end of the period	20,701	51,669	31,824	121,484	323,667	12,660	562,005
Accumulated depreciation							
- From subsidiaries acquired	5,559	6,931	3,455	7,298	42,100	3,640	68,983
Additions from subsidiary Charge for the period	6,758	11,890	13,457	62,174	209,659	-	303,938
Written back	1,975	2,587	1,946	10,721	15,756	1,223	34,208
Translation adjustment	-	-	-	-	(26,284)	-	(26,284)
	155	188	85	222	1,264	94	2,008
- At end of the period	14,447	21,596	18,943	80,415	242,495	4,957	382,853
Net book value							
- At end of the period	6,254	30,073	12,881	41,069	81,172	7,703	179,152

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5. INVESTMENTS IN SUBSIDIARY COMPANIES

a) The investments in subsidiary companies are made up as follows:-

	<u>The Company only 2011 US\$</u>
Unquoted shares, at cost	<u>371,851</u>

Details of the subsidiary companies are as follows:-

<u>Name of companies (Country of incorporation/ Place of business)</u>	<u>Principal activities</u>	<u>% of equity held by the company 2011 %</u>	<u>Cost of investment 2011 US\$</u>
South Pacific Business Development Microfinance Ltd. (SPBD) * (The Kingdom of Tonga)	Provision of financial services, training, on-going guidance and motivation to economically disadvantaged people	100	188,904
SPBD Microfinance (Samoa) Ltd. * (Independent State of Samoa)	Provision of financial services, training, on-going guidance and motivation to economically disadvantaged people	100	40,000
South Pacific Business Development Microfinance (Fiji) (Ltd) * (Republic of Fiji)	Provision of financial services, training, on-going guidance and motivation to economically disadvantaged people	100	142,947
			<u>371,851</u>

* Audited by overseas firms of auditors.

b) Acquisition of subsidiary companies

- i) On the 13th Decemeber 2010, the group incorporated a wholly owned subsidiary, SPBD Microfinance (Samoa) Ltd.
- ii) On 1st July 2011, the group acquired a 100% interest in South Pacific Business Development Microfinance Ltd.
- iii) On 5th July 2011, the group acquired a 100% interest in South Pacific Business Development Microfinance (Fiji) (Ltd).

c) The amounts owing by are non-trade in nature, unsecured, interest-free and with no fixed terms of repayment.

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6. LOANS PORTFOLIO

	<u>The Group</u> <u>only</u> <u>2011</u> <u>US\$</u>
Loans from subsidiaries acquired	2,012,861
Loans disbursement during the period	8,578,605
Loans repaid during the period	(6,461,946)
Add:- Loans interest	4,459
Restructure fees	2,889
Less:- Write-offs against loan insurance loss reserve	(7,244)
Write-offs against loan loss allowance	(44,787)
Gross loans portfolio	4,084,837
Less:- Loan insurance loss allowance	(1,660)
Loan loss allowance	(37,695)
Currency translation adjustment	52,817
	4,098,299
 (a) <u>Loan insurance loss allowance</u>	
New subsidiaries acquired	-
Provision for the period	8,904
Loans written off	(7,244)
	1,660
 (b) <u>Loan loss allowance</u>	
New subsidiaries acquired	14,554
Provision for the period	67,417
Loans written off	(44,787)
Currency translation adjustment	511
	37,695
 Loans portfolio is denominated in the following currencies:-	
Fiji dollars	528,423
Samoaan Tala	1,995,177
Tonga Pa'anga	1,574,699
	4,098,299

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at end of the financial period comprise the following:-

	<u>The Group</u> <u>2011</u> <u>US\$</u>	<u>The Company</u> <u>2011</u> <u>US\$</u>
Cash on hand	12,353	-
Cash in banks	659,417	3,854
Vodafone M-Paisa account	25,662	-
Fixed deposits - pledged	431,002	-
- unpledged	278,769	-
	1,407,203	3,854

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7. CASH AND CASH EQUIVALENTS (cont'd)

Cash and cash equivalents are denominated in the following currencies:-

	<u>The Group</u>	<u>The Company</u>
	<u>2011</u>	<u>2011</u>
	US\$	US\$
Euro dollars	59,619	-
Fiji dollars	359,733	-
Samoaan Tala	582,208	-
Singapore dollars	2,949	2,949
Tonga Pa'angas	283,956	-
United States dollars	118,738	905
	<u>1,407,203</u>	<u>3,854</u>

8. MEMBERS' SAVINGS DEPOSITS

Members in these financial statements refer to the group's loan portfolio borrowers.

Members' savings deposits are recorded as current liabilities in the statement of financial position.

A savings account is required to be established by a borrowing member in order for consideration for loan by depositing US\$10. When the loan has been processed and approved, 2.5% to 5% of the loan amount is deducted and recorded in the members' savings account as compulsory deposit. Member with a current loan balance must have a minimum deposit of 2.5% to 5% of the original loan amount.

There is no limit on the amount of money the members can keep in the savings account. The minimum balance that a member can keep is US\$1. However, for members with current loan, the minimum balance at any given time should be US\$10 plus 2.5% to 5% of the original loan amount.

The group is not a regulated financial intermediary and does not therefore use members' deposits for on-lending. Members can withdraw money with prior notice at any time for emergencies. The 2.5% to 5% loan retention can only be withdrawn after the latest loan is fully paid off.

9. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company is a wholly-owned subsidiary of SPBD Microfinance Holdings (Delaware) LLC, its ultimate limited liability corporation incorporated in the United States of America.

Related companies in these financial statements refer to members of the immediate and ultimate company's group of companies.

The amount owing is unsecured, interest-free and with no fixed term of repayment. It is the intention of the holding company to convert this amount into issued shares of the company via the issuance of new shares in the subsequent financial year.

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10. AMOUNT OWING TO A RELATED PARTY

The amount owing is non-trade in nature, interest-free and repayable when the resources of the company permit.

Related party in these financial statements refers to a company which shares a common director.

11. BANK OVERDRAFTS

	<u>The Group</u> <u>only</u> <u>2011</u> US\$
Bank overdraft 1	429,439
Bank overdraft 2	420,709
Bank overdraft 3	81,826
Bank overdraft 4	58,904
	990,878

Bank overdraft 1 is secured by term deposit of US\$208,047 (WST 500,000) and standby letter of credit of US\$10,000 (GBP 15,453).

Bank overdraft 2 is secured by term deposits of US\$22,885 (WST 55,000) and US\$49,000. However, as the company has exceeded the credit limit, the bank overdraft becomes repayable immediately.

Bank overdraft 3 is secured by term deposit of US\$40,000.

Bank overdraft 4 is secured by the company's term deposit of US\$75,000.

12. BORROWINGS

	<u>The Group</u> <u>only</u> <u>2011</u> US\$
<u>Soft term loans</u>	
Term loan 1	203,791
Term loan 2	126,788
Term loan 3	3,998
Term loan 4	181,222
Term loan 5	235,617
Term loan 6	179,449
Term loan 7	39,981
Term loan 8	524,770
Term loan 9	134,758
Term loan 10	441,796
Term loan 11	173,079
Term loan 12	30,603
Term loan 13	100,806
Term loan 14	108,560
Term loan 15	201,613
Term loan 16	65,136
Term loan 17	588,980
	3,340,947

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12. BORROWINGS (cont'd)

	The Group only <u>2011</u> US\$
<u>Commercial term loans</u>	
Term loan 1	220,884
Term loan 2	245,264
	3,807,095
Currency translation adjustment	30,803
	3,837,898
Shown under current liabilities	(864,566)
	2,973,332
	2,973,332

Term loan 1

The total outstanding consolidated amount was US\$203,791 with interest of 5% per annum, and quarterly required repayments were effective 1st April 2010 and shall be ended by 1st January 2013. The loan is unsecured with scheduled amortisation of principal and interest during the term.

Term loan 2

Its outstanding balance as of 31st December 2011 was US\$126,788. The loan is interest-free and unsecured with ongoing principal payment based on fund raising limit of SPBD.

Term loan 3

The interest-free loan is unsecured with end of term payment of principal by 31st December 2015.

Term loan 4

During the financial period, SPBD signed a loan agreement for a local currency loan equivalent to US\$500,000 to be disbursed in tranches over a period of three years. The first loan tranche was disbursed on 25th July 2011 amounting to US\$181,222. The interest-free loan is unsecured with scheduled amortisation of principal payment during the term. The loan is repayable no later than 31st December 2015.

Term loan 5

The loan is unsecured with scheduled amortisation of principal and interest payments at 9.25% per annum during the term. The loan is repayable no later than 4th February 2014.

Term loan 6

SPBD received a loan in July 2009 amounting to Euro \$250,000 (approximately US\$323,713) and an additional loan amount of Euro \$60,000 (approximately US\$77,691) in November 2009 to assist in the SPBD Recovery Plan for clients affect by Tsunami. The loan is unsecured with scheduled amortisation of principal and interest payments during the term. Interest is chargeable at 9% per annum. The loan is repayable no later than 31st March 2013.

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12. BORROWINGS (cont'd)

Term loan 7

The loan is unsecured, end-of-term principal payments and interest payment only during the term. The loan bears interest at 5% per annum and is repayable no later than 24th August 2013.

Term loan 8

The group received a loan amounting to ST\$300,000 in 2009 to assist the group in financing its activities at 6% interest per annum, and quarterly repayments to start in 2012. There were 3 different tranches received by SPBD in 2011 to assist in expanding the outreach to poor women. The 3 different tranches bear interest at 7% per annum and repayable no later than 31st December 2015.

Term loan 9

The loans are unsecured. There are no deposits tied to these loans and no guarantee was obtained to secure them. Interest is chargeable at 7% per annum and repayable no later than 15th December 2014.

Term loan 10

The loan is unsecured. Interest is chargeable at 5% per annum and repayable no later than 31st December 2013.

Term loan 11

The bank loans are unsecured. There are no deposits tied to these loans and no guarantee was obtained to secure them. Interest is chargeable at 5% and loan is repayable no later than 31st December 2013.

Term loan 12

The loan is unsecured and interest-free. There are no deposits tied to this loan and no guarantee was obtained to secure it.

Term loan 13

Unsecured loan at an interest rate of 6% per annum. Interest payments were made semi-annually during current financial period and will be paid quarterly during 2012. The first interest payment was on 30th June 2011 and is based on the entire period since the loan disbursement. The final interest payment will be due on 31st December 2012.

Principal repayments will be made in four quarterly instalments commencing 31st March 2012. This loan is due in full on 31st December 2012.

Term loan 14

Unsecured loan at an interest rate of 8% per annum. The interest payments were made semi-annually beginning 30th June 2011. The final interest payment will be due on 31st December 2014.

Principal repayments will be made in four quarterly instalments commencing 31st March 2014. The loan is due in full on 31st December 2014.

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12. BORROWINGS (cont'd)

Term loan 15

Unsecured loan at an interest rate of 7% per annum. The interest payments will be made annually beginning 31st December 2014 with the final interest payment on 31st December 2015.

Principal repayments will be made in five quarterly instalments commencing 31st December 2014. The loan is due in full on 31st December 2015.

Term loan 16

An unsecured loan at an interest rate of 5% per annum. The first interest payment was due on 31st December 2011 and subsequently on yearly basis.

The first principal repayment will be on 31st March 2014 and subsequently on quarterly basis. The loan and all accrued but unpaid interest is due and repayable on 31st December 2014.

Term loan 17

During the financial period, the group received unsecured loan at interest rate of 3% per annum. Interest payments must be made quarterly. The first interest payment will begin 24 months after disbursement of loan.

Principal repayments will begin 24 months after disbursement of loan contract. The first principal repayment will be on 31st December 2012 and subsequently on quarterly basis. The loan and all accrued but unpaid interest are due and payable in full on 31st March 2015.

Commercial term loan 1

The fluctuating credit facility with Tonga Development Bank is secured by a charge of 120% of the loan portfolio of South Pacific Business Development Microfinance Ltd. to cover the facility amount, with interest at 10.5% per annum.

Commercial term loan 2

Cresud loan is secured by guarantees and a US\$25,000 term deposit at a local commercial bank in Samoa.

The loan bears interest at 9.5% per annum and is repayable no later than 31st January 2014.

13. SHARE CAPITAL

As at 25th November 2010 (date of incorporation) and 31st December 2011, the company has 1 share in issue. The share has no par value.

14. ADVANCE SHARE APPLICATION

This relates to funds received in advance for by the company for future share issues. The directors have yet to determine the appropriate time for the issuance of new shares.

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15. OTHER OPERATING INCOME

	<u>The Group</u> <u>2011</u> US\$	<u>The Company</u> <u>2011</u> US\$
Grants received (see below)	148,531	-
Donations received	12,874	-
Gain on disposal of property, plant and equipment	7,577	-
	<u>168,982</u>	<u>-</u>

These are funds received by the group to provide financial support for the group's operation.

16. OPERATING RESULTS

This is arrived at as follows:-

	<u>The Group</u> <u>2011</u> US\$	<u>The Company</u> <u>2011</u> US\$
After charging/(crediting):-		
Donations received	(12,874)	-
Gain on disposal of property, plant and equipment	(7,577)	-
Depreciation of property, plant and equipment	34,208	-
Exchange difference	112,908	560
Interest on loans	199,499	-
	<u>199,499</u>	<u>-</u>

17. TAXATION

a) The charges for taxation are made up as follows:-

	<u>The Group</u> <u>2011</u> US\$	<u>The Company</u> <u>2011</u> US\$
Current period	47,013	2,871
<u>Reconciliation of effective tax rate</u>		
Profit before taxation	253,374	39,456
Income tax at 17%	43,074	6,708
Non-deductible expenses	11,571	16
Tax exemptions and rebates	(45,368)	(3,853)
Deductible expense	(5,756)	-
Effect of higher tax rate in other country	26,850	-
Unrecognised deferred tax asset	6,785	-
Deferred tax benefit not recognised	9,857	-
	<u>47,013</u>	<u>2,871</u>

b) Movements in provision for taxation

Acquisition of subsidiaries	-	-
Income tax - current period	47,013	2,871
Translation adjustment	(69)	-
Balance at end of the period	<u>46,944</u>	<u>2,871</u>

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18. LEASING COMMITMENTS

At the end of the reporting period, there are leasing commitments in respect of rental of premises which are payable in the following accounting period as follows:-

	<u>The Group only 2011 US\$</u>
Payable within 1 year	54,356
Payable after 1 year but within 5 years	<u>27,258</u>

19. RELATED PARTIES TRANSACTIONS

a) Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the group and the company with a related party:-

	<u>The Group 2011 US\$</u>	<u>The Company 2011 US\$</u>
Management fees charged by a related party	<u>158,879</u>	<u>32,025</u>

b) Compensation of key management personnel

The key management personnel comprise mainly directors who have the authority and responsibility for planning, directing and controlling the activities of the company and the group. Other than a nominee director's fee of US\$1,494, no other remuneration was paid during the period.

20. CAPITAL MANAGEMENT

The primary objective of the group's capital management is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure to support its business and maximise shareholder value. Capital is defined as equity attributable to the equity holders.

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

There were no changes in the group's approach to capital management during the period.

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21. FINANCIAL INSTRUMENTS

Financial risk management

The principal risks from the group's financial instruments are credit risk, interest rate risk and foreign exchange risk. The management reviews and manages these risks as follows:-

a) Credit risk

The carrying amounts of bank balances, loans portfolio and other receivables represent the group's maximum exposure to credit risk.

The group has insignificant concentration of credit risk. As part of its risk control procedures, an assessment of the credit quality of a new member, taking into account its financial position, past experience and other factors, is carried out prior to the credit approval. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored. Loans to clients are settled via weekly deductions.

It placed its surplus funds with licensed banks in Singapore, Kingdom of Tonga, Fiji and Samoa.

b) Interest rate risk

The group's exposures to changes in interest rates relate primarily to its borrowings. These are monitored on regular basis to ensure that the rates obtained are not less favourable than prevailing market rates applicable to the facilities obtained.

c) Foreign exchange risk

The group's exposures to changes in foreign currency rates relate primarily to its outstanding foreign currency bank balances, other receivables and other payables. The group monitors exchange fluctuations and takes appropriate steps to minimise or reduce exchange losses.

The group is exposed to foreign exchange risk in respect of its investments in The Kingdom of Tonga, Republic of Fiji and Independent State of Samoa. As these investments are held on long-term basis, these exposures are not hedged.

The transactions in those countries take place in the local currencies of the countries concerned. As the foreign exchange rates of those operational currencies are set by their respective central banks based on a prescribed basket of foreign currencies, the group tries to hedge the assets in those countries against significant fluctuations in foreign exchange valuation by borrowing in non-local currencies, in proportions which match, as close as possible, the foreign currencies utilised by the local central banks to fix their exchange rates, to the best of management's ability. No other specific currency hedging is performed.

Fair values

The carrying amounts of cash and bank balances, other receivables and other payables approximate their fair values due to their short-term nature.

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22. COMPARATIVE FIGURES

There are no comparative figures as this is the first set of financial statements prepared since date of incorporation.

23. COMMENCEMENT OF BUSINESS

The company was incorporated on 25th November 2010 and it commenced business thereon.

24. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the directors on 25th September 2012

THE ATTACHED DETAILED PROFIT AND LOSS ACCOUNT

DOES NOT FORM PART OF THE STATUTORY AUDITED FINANCIAL STATEMENTS

SPBD MICROFINANCE HOLDINGS (SINGAPORE) PTE. LTD.
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DETAILED PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL PERIOD FROM 25TH NOVEMBER 2010 (DATE OF INCORPORATION)
TO 31ST DECEMBER 2011

	<u>2011</u> US\$
<u>INCOME</u>	
Management income	<u>222,466</u>
<u>Less:-</u>	
<u>EXPENSES</u>	
Auditors' remuneration	3,849
Bank charges	3,250
Exchange difference - realised	516
- unrealised	44
General expenses	425
Income tax service fee	770
Legal and professional fee	7,422
Management fee	32,025
Salaries and wages	128,841
Secretarial fee	1,868
Travelling expenses	<u>4,000</u>
	<u>183,010</u>
Profit before taxation	<u><u>39,456</u></u>