FUTURE MERCHANDISING & SOURCING PTE. LTD.

(Registration Number: 201718557K)
(Incorporated in Singapore)

FINANCIAL STATEMENTS

For the financial period from 3 July 2017 (date of incorporation) to 31 March 2018

FUTURE MERCHANDISING & SOURCING PTE. LTD.
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FINANCIAL STATEMENTS
For the financial period from 3 July 2017 (date of incorporation) to 31 March 2018

Contents

DIRECTORS' STATEMENT

For the financial period from 3 July 2017 (date of incorporation) to 31 March 2018

The directors present their statement to the member together with the audited financial statements of Future Merchandising & Sourcing Pte. Ltd. (the "Company") for the financial period from 3 July 2017 (date of incorporation) to 31 March 2018.

Opinion of the directors

In the opinion of the directors,

(a) the 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 March 2018 and the financial performance, changes in equity and cash flows of the Company for the financial period from 3 July 2017 (date of incorporation) to 31 March 2018; 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.

Directors

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

Biyani Anil Laxminarayan (appointed on 3 July 2017)
Priti Lakhpati (appointed on 3 July 2017)

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 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.

Directors' interest in shares and debentures

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial period had no interests in the shares or debentures of the Company and its related corporations.

Share options

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

There were no shares issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company.

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

Auditors

Bestar Assurance PAC has expressed their willingness to accept appointment as auditor.

Biyani Anil Laxminarayan
Director

Priti Lakhpati
Director

Singapore
11 MAY 2018

BESTAR ASSURANCE *PAC*

Public Accountants and Chartered Accountants of Singapore
Registration No. 201209518K

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FUTURE MERCHANDISING & SOURCING PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Future Merchandising & Sourcing Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 3 July 2017 (date of incorporation) to 31 March 2018, and notes to the financial statements, including a summary of significant accounting policies.

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 financial period from 3 July 2017 (date of incorporation) to 31 March 2018.

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 Auditor's 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 ("ACRA") 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. The other information comprises the Directors' Statement set out on pages 1 to 2.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FUTURE MERCHANDISING & SOURCING PTE. LTD.

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.

Auditor's 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 auditor's 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 control.

- Obtain an understanding of internal control 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 control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF FUTURE MERCHANDISING & SOURCING PTE. LTD.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 auditor's 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 auditor's 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 control 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.

BESTAR ASSURANCE PAC

Bestar Assurance PAC
Public Accountants and
Chartered Accountants
Singapore

1 1 MAY 2018

STATEMENT OF FINANCIAL POSITION
As at 31 March 2018

	Note	2018 US$
ASSETS		
Current assets		
Cash and cash equivalents	4	29,896
Total current assets		29,896
Total assets		29,896
EQUITY AND LIABILITIES		
Equity		
Share capital	5	30,000
Accumulated loss		(6,285)
Total equity		23,715
Current liabilities		
Other payables	6	6,181
Total current liabilities		6,181
Total liabilities		6,181
Total equity and liabilities		29,896

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial period from 3 July 2017 (date of incorporation) to 31 March 2018

	Note	03.07.2017 to 31.03.2018 US$
Revenue		-
Administrative and other operating expenses		(6,285)
Loss before income tax	7	(6,285)
Income tax expense	8	-
Net loss for the financial period		(6,285)
Other comprehensive income, net of tax		-
Total comprehensive loss for the financial period		(6,285)

STATEMENT OF CHANGES IN EQUITY

For the financial period from 3 July 2017 (date of incorporation) to 31 March 2018

	Share capital US$	Accumulated loss US$	Total US$
At 3 July 2017 (date of incorporation)	1	-	1
Issuance of ordinary shares (Note 5)	29,999	-	29,999
Total comprehensive loss for the financial period	-	(6,285)	(6,285)
At 31 March 2018	30,000	(6,285)	23,715

STATEMENT OF CASH FLOWS

For the financial period from 3 July 2017 (date of incorporation) to 31 March 2018

	03.07.2017 to 31.03.2018 US$
Cash flows from operating activities	
Loss before income tax	(6,285)
Operating loss before working capital changes	(6,285)
Changes in working capital:	
Other payables	6,181
Net cash used in from operating activities	(104)
Cash flows from financing activity	
Proceeds from issuance of ordinary shares	30,000
Net cash generated from financing activity	30,000
Net increase in cash and cash equivalents	29,896
Cash and cash equivalents at beginning of the financial period	-
Cash and cash equivalents at the end of the financial period (Note 4)	29,896

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

1. General

Future Merchandising & Sourcing Pte. Ltd. (the "Company") is incorporated and domiciled in the Republic of Singapore with its registered office and principal place of business at 14 Robinson Road, #08-01A Far East Finance Building, Singapore 048545.

The principal activities of the Company are those of general wholesale trade (including general importers and exporters). There have been no significant changes to the Company's principal activities during the financial period.

The Company's immediate and ultimate holding company is Future Enterprises Limited, a company incorporated in India.

The financial statements of the Company for the financial period from 3 July 2017 (date of incorporation) to 31 March 2018 were authorised for issue in accordance with a resolution of the directors as stated in the Directors' Statement.

2. Significant accounting policies

(a) Basis of preparation

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

The financial statements of the Company are presented in United States Dollars ("US$"), which is the Company's functional currency and are prepared in accordance with the historical cost convention except for the accounting policies as stated below.

The accounting policies have been consistently applied by the Company.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the financial period end date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the financial period are recognised in profit or loss.

2. Significant accounting policies *(continued)*

(c) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company has financial assets which are all classified as loans and receivables.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise cash and cash equivalents.

Cash and cash equivalents comprise cash at bank.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit of loss.

2. Significant accounting policies *(continued)*

(c) Financial instruments *(continued)*

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequent measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise other payables.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

iii) A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when and only when, an entity:

a) currently has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. Significant accounting policies *(continued)*

(d) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial asses with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Significant accounting policies *(continued)*

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and are subject to an insignificant risk of changes in value.

(f) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(g) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered form or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relate to items recognised outside profit of loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Significant accounting policies *(continued)*

(h) Taxes *(continued)*

Deferred tax (continued)

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary difference 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(i) Related party

A related party is a person or entity that is related to the reporting entity:

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

(i) Related party *(continued)*

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member of which the other entity is a member).
(iii) both entities 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 reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) the entity is controlled by a person identified in (a).
(vii) 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).

3. **Critical accounting judgement and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note 2, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the Company's accounting policies

The management is of the opinion that the key judgement which has the most significant effect on the amounts recognised in the financial statements is discussed below:

Determination of functional currency

The Company measures foreign currency transactions in the functional currency of the Company. In determining the functional currency of the Company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which the Company operates its process of determining sales prices.

3. Critical accounting judgement and key sources of estimation uncertainty *(continued)*

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each financial period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Income taxes

The Company is subject to income taxes in Singapore. Significant judgement is involved in determining the Company-wide provision for income taxes. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provisions in the period in which such determination is made.

4. Cash and cash equivalents

	2018 **US$**
Cash at bank	29,896

Cash and cash equivalents are denominated in the following currencies:

	2018 **US$**
United States Dollar	25,343
Singapore Dollar	4,553
	29,896

5. Share capital

	2018	
	No of shares	US$
Issued and fully paid ordinary shares		
At date of incorporation	1	1
Issued during the financial period	29,999	29,999
At end of the financial period	30,000	30,000

At date of incorporation, the Company issued 1 ordinary share for US$1 fully paid for cash to incorporate the Company.

On 19 March 2018, the Company issued additional 29,999 ordinary shares for US$1 each fully paid for cash to provide for additional working capital for the Company.

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. The ordinary shares have no par value and carry one vote per share without restriction.

Capital management

The objectives of the Company's when managing capital are:

(i) to safeguard the ability of the Company to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders; and

(ii) to maintain a strong capital base so as to sustain the future development / expansion of its business in order to maintain investor and creditor confidence in the Company.

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

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 issuance of new shares.

6. Other payables

	2018 US$
Accruals	2,150
Other creditor	4,031
	6,181

Other payables are denominated in Singapore Dollar.

7. Loss before income tax

This is arrived at after charging the following items:

	03.07.2017 to 31.03.2018 US$
Professional fees	6,181

8. Income tax expense

The Company is not subject to any taxation in respect of the current financial period as it has no chargeable income.

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to loss before income tax as a result of the following differences:

	03.07.2017 to 31.03.2018 US$
Loss before income tax	(6,285)
Income tax at statutory rate	1,068
Non-deductible expenses for tax purposes	(1,068)
	-

9. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current financial period, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

9. Financial risk management *(continued)*

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

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

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and / or impaired

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

9. Financial risk management *(continued)*

b) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds.

The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Company's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Less than 1 year US$	Between 2 – 5 years US$	More than five years US$	Total US$
At 31 March 2018				
Other payables	6,181	-	-	6,181

c) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from transactions that are denominated in a currency other than the functional currency of the company, primarily Singapore Dollar (S$).

The Company's currency exposures to S$ at the reporting date were as follows:

	2018 US$
Financial assets	
Cash and cash equivalents	4,553
Financial liabilities	
Other payables	(6,181)
Currency exposures	(1,628)

9. Financial risk management *(continued)*

c) Foreign currency risk *(continued)*

A 10% strengthening of United States Dollars against the foreign currency denominated balances as at the reporting date would decrease profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit after tax 2018 US$
Singapore Dollars	135

A 10% weakening of United States Dollars against the above currency would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

10. Financial instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	Loans and receivables US$	Financial liabilities at amortised costs US$	Fair value US$
At 31 March 2018			
Financial assets			
Cash and cash equivalents	29,896	-	29,896
	29,896	-	29,896
Financial liabilities			
Other payables	-	6,181	6,181

11. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

12. Comparative figures

The financial statements for 2018 cover the financial period from 3 July 2017 (date of incorporation) to 31 March 2018. These being the first set of accounts, there are no comparative figures.

13. New of revised FRS and INR FRS issued but not yet effective

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published but are only effective for the Company's accounting periods beginning on or after 1 April 2018. However, management anticipates that the adoption of these standards and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

---End of audited financial statements------------------------------------

FUTURE MERCHANDISING & SOURCING PTE. LTD.

DETAILED INCOME STATEMENT
For the financial period from 3 July 2017 (date of incorporation) to 31 March 2018

	03.07.2017 to 31.03.2018 US$
REVENUE	-
LESS: ADMINISTRATIVE AND OTHER OPERATING EXPENSES	
Audit fee	2,150
Bank charges	104
Secretarial and tax service fees	4,031
	6,285
LOSS BEFORE INCOME TAX	(6,285)