BAKER TILLY
(BVI) LIMITED

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Financial Statements
For the year ended 28 February 2014

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ASIA WEALTH GROUP HOLDINGS LIMITED

Company Directory
At 28 February 2014

BOARD OF DIRECTORS

Richard Cayne
Peter Upperton
Richard Lascelles *(resigned 30 September 2013)*
Andrew Mankiewicz *(resigned 30 September 2013)*

REGISTERED AGENT AND OFFICE

Harneys Corporate Services Limited
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British Virgin Islands

CORPORATE ADVISOR

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BANKER

HSBC Bank Plc
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REGISTRAR

Computershare Investor Services (BVI) Limited
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British Virgin Islands

DEPOSITARY

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The Pavilions
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EXCHANGE LISTING DETAILS

ICAP Securities & Derivatives Exchange
ISIN: VGG0540E1097
TIDM: AWLP
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ASIA WEALTH GROUP HOLDINGS LIMITED

We have audited the accompanying consolidated financial statements of Asia Wealth Group Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 28 February 2014, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 24.

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinion we have formed.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Basis for qualified opinion
The Group has an available-for-sale investment carried at cost as disclosed in note 5. However, the Group has not assessed the investment at year end for impairment in accordance with accounting policy 2(h) and we were unable to satisfy ourselves as to whether this value represents its cost, less impairment losses, if any.

Qualified opinion
In our opinion, except for the possible effects of the matter discussed in the basis for qualified opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Group as at 28 February 2014, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Baker Tilly (BVI) Limited

Chartered Accountants
18 July 2014
Tortola, British Virgin Islands

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Statement of Financial Position
At 28 February 2014
Expressed in U.S. Dollars

	Note	2014	2013
Non-current assets			
Fixed assets	3	34,976	49,412
		34,976	49,412
Current assets			
Cash and cash equivalents		1,874,858	1,965,123
Trade receivables		242,314	358,986
Prepayments and other assets	4	79,140	65,965
Available-for-sale investment	5	318,162	318,162
		2,514,474	2,708,236
Total assets		$ 2,549,450	$ 2,757,648
Equity			
Share capital	6	913,496	913,496
Share-based payment reserve	7	35,423	35,423
Consolidation reserve		405,997	405,997
Translation reserve		(9,984)	444
Accumulated deficit		(85,207)	(59,020)
Total equity		1,259,725	1,296,340
Non-current liabilities			
Liabilities under finance lease agreement	8	8,908	17,071
Current liabilities			
Trade payables		1,203,952	1,342,715
Liabilities under finance lease agreement	8	5,568	6,097
Other payables and accrued expenses		71,297	95,425
		1,280,817	1,444,237
Total liabilities		1,289,725	1,461,308
Total equity and liabilities		$ 2,549,450	$ 2,757,648

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Statement of Comprehensive Income
For the year ended 28 February 2014
Expressed in U.S. Dollars

	Note(s)	2014	2013
Revenue		1,967,605	2,173,821
Expenses			
Commission		1,125,948	1,217,498
Professional fees	4,7	337,302	297,406
Directors' fees	4,8	276,785	293,130
Travel and entertainment		64,605	76,977
Wages and salaries		36,654	66,229
Rent		30,661	37,174
Office expenses		23,343	31,198
Depreciation	3	19,323	16,951
Communications		14,201	15,228
Bank charges		8,988	8,006
Marketing expenses		-	7,232
Sundry expenses		65,046	26,507
		2,002,856	2,093,536
Net (loss)/profit from operations		(35,251)	80,285
Other income/(expense)			
Initial public offering expenses		—	(289,581)
Foreign exchange gain/(loss)		3,137	(32,152)
Other income		11,015	6,173
		14,152	(315,560)
Net loss before finance costs		(21,099)	(235,275)
Finance costs			
Interest expense		1,994	2,570
Net loss before taxation		(23,093)	(237,845)
Taxation	9	3,094	4,878
Total comprehensive loss		$ (26,187)	$ (242,723)
Loss per share attributable to the equity holders of the Company:			
Basic loss per share	10	$ (0.00229)	$ (0.02138)
Diluted loss per share	10	$ (0.00223)	$ (0.02124)

Consolidated Statement of Changes in Equity
For the year ended 28 February 2014
Expressed in U.S. Dollars

2014

	Note(s)	Share Capital Number	Share Capital US$	Share-based Payment Reserve	Consolidation Reserve	Translation Reserve	Accumulated Deficit	Equity
Balances at beginning of year		11,433,433	913,496	35,423	405,997	444	(59,020)	1,296,340
Translation differences	2(f)	—	—	—	—	(10,428)	—	(10,428)
Total comprehensive loss		—	—	—	—	—	(26,187)	(26,187)
Balances at end of year		11,433,433	$ 913,496	$ 35,423	$ 405,997	$ (9,984)	$ (85,207)	$ 1,259,725

2013

	Note(s)	Share Capital Number	Share Capital US$	Share-based Payment Reserve	Consolidation Reserve	Translation Reserve	Retained Earnings/ (Accumulated Deficit)	Equity
Balances at beginning of year		11,095,333	595,334	23,122	405,997	(1,357)	183,703	1,206,799
Issuance of share capital	6	338,100	318,162	—	—	—	—	318,162
Issuance of share options	2(n),7	—	—	12,301	—	—	—	12,301
Translation differences	2(f)	—	—	—	—	1,801	—	1,801
Total comprehensive loss		—	—	—	—	—	(242,723)	(242,723)
Balances at end of year		11,433,433	$ 913,496	$ 35,423	$ 405,997	$ 444	$ (59,020)	$ 1,296,340

ASIA WEALTH GROUP HOLDINGS LIMITED

Consolidated Statement of Cash Flows
For the year ended 28 February 2014
Expressed in U.S. Dollars

	2014	2013
Operating activities		
Commissions received	2,084,277	2,356,802
Other income received	11,015	6,173
Advances from related party	—	3,443
Commissions paid	(1,264,711)	(1,184,925)
Directors' fees paid	(276,785)	(293,130)
Other expenses paid	(631,883)	(811,598)
Cash flows from operating activities	(78,087)	76,765
Investing activities		
Acquisition of fixed assets	(4,887)	(6,330)
Cash flows from investing activities	(4,887)	(6,330)
Net (decrease)/increase in cash and cash equivalents	(82,974)	70,435
Effects of exchange rate fluctuations on cash and cash equivalents	(7,291)	(30,351)
Cash and cash equivalents at beginning of year	1,965,123	1,925,039
Cash and cash equivalents at end of year	$ 1,874,858	$ 1,965,123

Cash and cash equivalents comprise cash at bank.

On 12 June 2012, the Company acquired a 15% equity interest in Ray Alliance Financial Advisers Pte Ltd for 322,000 new shares. The Company also issued 16,100 new shares in consideration for the advisory services provided during the transaction.

1) GENERAL INFORMATION

Asia Wealth Group Holdings Limited (the "Company") was incorporated in the British Virgin Islands on 7 October 2010 under the BVI Business Companies Act, 2004. The liability of the shareholders is limited by shares. The Company maintains its registered office in the British Virgin Islands and its financial records and statements are maintained and presented in U.S. Dollars, rounded to the nearest dollar. The financial statements were authorised for issue by the Board of Directors on 18 July 2014.

The principal activity of the Company and its subsidiaries (the "Group") is to provide wealth management advisory services to Asia-based high net worth individuals and corporations.

The Company's shares are listed on the PLUS Stock Exchange based in London, United Kingdom. During the prior year, ICAP Plc, an interdealer broker based in London, United Kingdom, bought PLUS Stock Exchange and rebranded and relaunched it as ICAP Securities & Derivatives Exchange ("ISDX"). The Company's shares were automatically admitted to ISDX.

The Company has the following subsidiaries:

	Incorporation Date	Country of Incorporation	Ownership Interest
Meyer Asset Management Ltd. ("Meyer BVI")	2000	British Virgin Islands	100%
Meyer International Limited ("Meyer Thailand")	2010	Thailand	100%
Asia Wealth Group Pte. Ltd. ("Asia Wealth Singapore")	2011	Singapore	100%

Meyer BVI directly holds 49% and acquired beneficial ownership of 51% of the total issued share capital of Meyer Thailand via a trust agreement. The registered owner of the 51% outstanding shares is Mr. Somchai Kruntong as set out in a declaration of trust in favour of Meyer BVI. The Company has significant control over the financial and reporting policies of Meyer Thailand and has accordingly accounted for it as a wholly owned subsidiary.

On 13 June 2012, Meyer BVI was licensed to provide investment business services under Section 3 of the Securities and Investment Business Act, 2010 of the British Virgin Islands.

2) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Group's consolidated financial statements are set out below.

a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical costs and do not take into account increases in the market value of assets.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

b) **Basis of preparation**

The accounting policies have been applied consistently by the Group and are consistent with those used in the previous year, except for as noted below.

Effective 1 March 2013, the Group adopted IFRS 10, "Consolidated Financial Statements". The objective of this new standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. It also defines the principle of control, and establishes control as the basis for consolidation. It sets out how to apply the principle of control to identify whether an investor controls an investee and therefore must consolidate the investee and sets out the accounting requirements for the preparation of the consolidated financial statements.

The Group also adopted IFRS 12, "Disclosure of Interests in Other Entities". This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. In high-level terms, the required disclosures are grouped into:

- Significant judgments and assumptions – such as hot control, joint control or whether significant influence has been determined.
- Interests in subsidiaries – including details of the structure of the group, risks associated with structured entities, changes in control and so on.
- Interests in joint arrangement and associates – the nature, extent and financial effects of interests in joint arrangements and associates.
- Interests in unconsolidated structured entities – information to allow an understanding of the nature and extent of interests in unconsolidated structured entities and to evaluate the nature of, and changes in, the risks associated with its interest in unconsolidated structured entities.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 March 2013 that would be expected to have a material impact on the Group's consolidated financial statements.

c) Use of estimates

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

c) **Use of estimates**

Critical accounting estimates and judgments

Depreciation

Management regularly reviews the estimated useful lives and residual values of the Group's fixed assets and will revise rates of depreciation where useful lives and residual values previously estimated have changed.

Leases

In determining whether a lease is to be classified as an operating lease or a finance lease, management is required to use their judgment as to whether the significant risks and rewards of ownership of the leased asset have been transferred or not.

d) **Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 28 February 2014.

Details of the Group are set out in note 1.

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

e) **Segment reporting**

The Group's operating businesses are organised and managed separately according to geographical area, with each segment representing a strategic business unit that serves a different market. Financial information on business segments is presented in note 11 of the consolidated financial statements.

f) **Translation reserve**

Assets and liabilities of the Group's non-U.S. Dollar functional currency subsidiaries are translated into U.S. Dollars at the closing exchange rates at the reporting date. Revenues and expenses are translated at the average exchange rates for the year. All cumulative differences from the translation of the equity of foreign subsidiaries resulting from changes in exchange rates are included in a separate caption within equity without affecting income.

2) SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g) Financial instruments

i) Classification

Available-for-sale investment

The Group designates its investment into the available-for-sale category. The category of available-for-sale financial assets comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. This includes investment in equity securities in a private company (see note 5).

Cash and cash equivalents

Cash comprises current deposits with banks, net of any overdrafts. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets that are classified as loans and receivables comprise trade receivables.

Trade accounts receivable are recognised initially at fair value and are subsequently recorded at fair value reduced by any appropriate allowances for estimated irrecoverable amounts. An allowance for doubtful accounts is established when there is evidence that the Group will not be able to collect amounts due. The Group primarily uses the specific identification method to determine if the receivable is impaired. The carrying amount of the receivable is reduced through the use of the allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income.

The Group determines its allowance by considering a number of factors, including the length of time trade receivables are past due, the Group's previous loss history, the customer's current ability to pay its obligation to the Group, and the condition of the general economy and the industry as a whole.

The Group writes off accounts receivable when they become uncollectible. Actual bad debts, when determined, reduce the allowance, the adequacy of which management then reassesses. The Group writes off accounts after a determination by management that the amounts at issue are no longer likely to be collected, following the exercise of reasonable collection efforts and upon management's determination that the costs of pursuing the collection outweigh the likelihood of recovery.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

g) **Financial instruments**

i) **Classification**

Financial liabilities at cost

Financial liabilities measured at cost are non-derivative contractual obligations to deliver cash or another financial asset to another entity. Financial liabilities measured at cost comprise trade payables and other payables and accrued expenses.

Share capital

Shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognised as a deduction from equity.

ii) **Recognition and derecognition**

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of an instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from a financial asset expire or it transfers a financial asset and the transfer qualifies for derecognition in accordance with IAS 39, "Financial Instruments: Recognition and Measurement." A financial liability is derecognised when the obligation specified in a contract is discharged, cancelled or expired.

iii) **Measurement**

The financial asset classified as an available-for-sale investment does not have a quoted market price in an active market and its fair value cannot be reliably measured using other methods of estimating fair value. Accordingly, it has been carried at cost, less impairment losses, if any (refer to accounting policy 2(h)).

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any.

Financial liabilities are measured at amortised cost using the effective interest method.

h) **Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is estimated as the greater of an asset's net selling price or value in use. An impairment loss is recognised in the consolidated statement of comprehensive income whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

h) **Impairment**

If in a subsequent period, the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the consolidated statement of comprehensive income.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i) **Revenue and expense recognition**

In relation to the rendering of professional services, the Group recognises fee income as time is expended and costs are incurred, provided the amount of consideration to be received is reasonably determinable and there is reasonable expectation of its ultimate collection.

Interest income is recognised in the consolidated statement of comprehensive income as it accrues.

All expenses are recognised in the consolidated statement of comprehensive income on the accrual basis.

j) **Offsetting**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position whenever the Group has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

k) **Leases**

Leases of equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are recorded as long-term liabilities. The finance charge is taken to the consolidated statement of comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over their useful lives.

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the term of the lease. When an operating lease is terminated before the lease term has expired, any penalty is recognised as an expense in the period in which the termination took place.

l) **Fixed assets**

Items of fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of fixed assets.

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

l) **Fixed assets**

The annual rates of depreciation in use are as follows:

Leasehold improvements	20%
Office equipment	20-33%
Vehicles	20%

Subsequent expenditure incurred to replace a component of a fixed asset is capitalised only when it increases the future economic benefits embodied in the item of a fixed asset. All other expenditure is recognised in the consolidated statement of comprehensive income when it is incurred.

m) **Taxation**

Taxation on net profit before taxation for the year comprises both current and deferred tax.

Current tax is the expected income tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years in the countries where the Company and its subsidiaries operate and generate taxable income.

The Group accounts for income taxes in accordance with IAS 12, "Income Taxes," which requires that a deferred tax liability be recognised for all taxable temporary differences and a deferred tax asset be recognised for an enterprise's deductible temporary differences, operating losses, and tax credit carryforwards. A deferred tax asset or liability is measured using the marginal tax rate that is expected to apply to the last dollars of taxable income in future years. The effects of enacted changes in tax laws or rates are recognised in the period that includes the enactment date.

n) **Share-based payment**

The Group entered into a series of equity-settled, share-based payment transactions, under which the Group received services from a third party as consideration for equity instruments (shares, options or warrants) of the Group.

For non-vesting share-based payments, the fair value of the service received in exchange for the shares is recognised as an expense immediately with a corresponding credit to share capital.

For share-based payments with vesting periods, the service received is recognised as an expense by reference to the fair value of the share options granted or warrants issued. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied with a corresponding credit to the share capital reserve.

o) **Foreign currency**

Transactions in foreign currencies are converted at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the foreign currency exchange rate ruling at the reporting date.

Expressed in U.S. Dollars

2) **SIGNIFICANT ACCOUNTING POLICIES** (Cont'd)

o) **Foreign currency**

Foreign currency exchange differences arising on conversion or translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the consolidated statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies which are stated at historical cost are translated at the foreign currency exchange rate ruling at the date of the transaction, or if impaired, at the date of the impairment recognition. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into U.S. Dollars at the foreign currency exchange rates ruling at the dates that the values were determined.

p) **Newly issued accounting standards**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 March 2013, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group.

3) **FIXED ASSETS**

	Leasehold improvements	Office equipment	Vehicles	Total
Cost:				
At 28 February 2013	20,281	20,936	40,223	81,440
Additions	–	4,887	–	4,887
At 28 February 2014	20,281	25,823	40,223	86,327
Depreciation:				
At 28 February 2013	8,031	8,320	15,677	32,028
Charge for the year	4,843	4,871	9,609	19,323
At 28 February 2014	12,874	13,191	25,286	51,351
Net book value:				
At 28 February 2014	$ 7,407	$12,632	$14,937	$34,976
At 28 February 2013	$12,250	$12,616	$24,546	$49,412

As at 28 February 2014, the Group had fixed assets under a finance lease agreement (refer to note 8) with a net book value of $14,937 (2013: $24,546).

4) **RELATED PARTY TRANSACTIONS**

A promissory note was issued by a director as consideration for the allotment of the Company's issued share capital amounting to $1 (2013: $1). It is unsecured, carries interest at an annual rate of 3% and is repayable on demand.

4) **RELATED PARTY TRANSACTIONS** (Cont'd)

The Group was charged $36,125 (2013: $45,197) in accounting fees by Administration Outsourcing Co., Ltd, a company related by way of common directorship, of which $2,556 (2013: $4,198) remained outstanding as at 28 February 2014.

During the year, the Group paid directors' fees, inclusive of an accommodation allowance, amounting to $276,785 (2013: $293,130). Refer also to note 8.

5) **AVALAIBALE-FOR-SALE INVESTMENT**

On 12 June 2012, the Company acquired a 15% equity interest in Ray Alliance Financial Advisers Pte Ltd ("RAFA") for a consideration of 322,000 shares issued at £0.70 per share. The Company also issued 16,100 shares at £0.60 per share in consideration for the advisory services provided during the transaction. The total cost of the investment amounted to $318,162.

6) **SHARE CAPITAL**

Authorised

The Company is authorised to issue an unlimited number of no par value shares of a single class.

Issued and fully paid:

11,433,433 shares of no par value per share.

Each share in the Company confers upon the shareholder:

(a) the right to one vote on any resolution of shareholders;

(b) the right to an equal share in any dividend paid by the Company; and

(c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

7) **SHARE-BASED PAYMENTS**

a) **Options**

Following the Company's admission to the ISDX, the directors of the Company proposed to grant options for up to 1,000,000 shares to key consultants. On 1 July 2011, the Company issued a total of 260,000 share options at an exercise price of £0.60 per share conditional on the consultants completing 2 years' service (the vesting period). On 27 May 2012, the Company issued 50,000 share options at an exercise price of £0.60 per share in consideration of the provision of advisory services exercisable on or after 30 September 2012. On 30 July 2012, the Company issued 100,000 share options at an exercise price of £0.60 per share to one of the Group's directors exercisable on the second anniversary of the date of grant. The total consulting fee expense during the year amounted to $nil (2013: $12,301) and the share options reserve as at 28 February 2014 amounted to $26,402 (2013: $26,402).

Expressed in U.S. Dollars

7) **SHARE-BASED PAYMENTS** (Cont'd)

a) **Options**

Share options outstanding at the end of the year had the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise Price	**2014**	**2013**
1 October 2012	27 May 2017	£0.60	50,000	50,000
1 July 2013	1 July 2016	£0.60	260,000	260,000
31 July 2013	30 July 2017	£0.60	100,000	100,000

The fair value of the options issued in 2013 determined using the Black-Scholes valuation model was £0.043 per option. The significant inputs into the model were the share price of £0.60 at the grant dates, exercise prices shown above, a volatility of 5%, a dividend yield of 0%, an expiry date of 5 years and an annual risk-free interest rate of 1.5%.

b) **Warrants**

On 16 May 2011, the Company issued share warrants to Beaumont Cornish Limited to subscribe for 55,444 shares, in accordance with the terms of its agreement. The warrants are exercisable at the placing price for a period of 5 years. The total advisory fee expense and share warrants reserve for these issued share warrants amounted to $9,021. The fair value of these warrants issued determined using the Black-Scholes valuation model was £0.102. The significant inputs into the model were the share price of £0.60 at the grant date, the exercise price shown below, a volatility of 10%, a dividend yield of 0%, an expiry date of 5 years and an annual risk-free interest rate of 3%.

Share warrants outstanding at the end of the year had the following expiry date and exercise price:

Grant Date	Expiry Date	Exercise Price	**2014**	**2013**
16 May 2011	1 July 2016	£0.60	55,444	55,444

8) **LEASES**

Finance leases

	2014	**2013**
Liabilities under finance lease agreements:		
Less than 1 year	6,701	7,316
1 to 5 years	8,890	17,883
Total	15,591	25,199
Less: Deferred interest	(1,115)	(2,031)
	14,476	23,168
Less: Current portion	(5,568)	(6,097)
Net	$ 8,908	$17,071

Expressed in U.S. Dollars

8) **LEASES** (Cont'd)

Operating leases

As at 28 February 2014, the future minimum lease payments under non-cancellable operating leases for director accommodation are as follows:

	2014	**2013**
Payable within:		
1 year	66,288	17,953
1 to 5 years	16,572	-
Total	$82,860	$17,953

9) **TAXATION**

There is no mainstream taxation in the British Virgin Islands. The Company and Meyer BVI are not subject to any forms of taxation in the British Virgin Islands, including income, capital gains and withholding taxes.

Meyer Thailand is subject to Thailand graduated statutory income tax at a rate of 0-30% on profit before tax.

Asia Wealth Singapore is subject to Singapore statutory income tax rate of 17% on profit before tax.

The current tax expense included in the consolidated statement of comprehensive income relates to the following subsidiaries:

	2014	**2013**
Meyer Thailand	2,633	4,774
Asia Wealth Singapore	461	104
	$3,094	$4,878

The Group had no deferred tax assets or liabilities as at the reporting date.

The Group's total income tax differs from the amount determined by multiplying net profit before taxation by the weighted average tax rate of 8.67% (2013: 1.68%) as follows:

	2014	**2013**
Net loss before taxation	$(23,093)	$(237,845)
Tax calculated at weighted average tax rate	(2,002)	(3,989)
Asia Wealth Singapore's statutory stepped income exemption	(1,050)	(138)
Expenses not deductible for tax purposes	1,938	305
Meyer BVI net profit not subject to tax	(31,960)	(8,329)
Company's net loss not subject to tax	35,771	12,813
Weighted average tax rate differential	381	4,185
Other	16	31
	$ 3,094	$ 4,878

Expressed in U.S. Dollars

10) LOSS PER SHARE

a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of shares in issue during the year.

	2014	2013
Loss attributable to equity holders of the Company	$(26,187)	$(242,723)
Weighted average number of shares in issue	11,433,433	11,351,918

b) Diluted

Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all dilutive potential shares. The Company has share warrants and share options as potential dilutive shares. For the share options and warrants, a calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options and warrants. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and warrants.

	2014	2013
Loss attributable to equity holders of the Company	$(26,187)	$(242,723)
Weighted average number of shares in issue	11,433,433	11,351,918
Adjusted for weighted average number of :		
- share options (see note 7(a))	280,466	20,685
- share warrants (see note 7(b))	55,444	55,444
Weighted average number of shares for diluted earnings per share	11,769,343	11,428,047

11) SEGMENTAL INFORMATION

The Group has three reportable segments based on geographical areas where the Group operates and these were as follows:

British Virgin Islands ("BVI") – where the Company and Meyer BVI are domiciled. The Company serves as the investment holding company of the Group and Meyer BVI provides wealth management and advisory services.

Thailand – where Meyer Thailand is domiciled and provides marketing and economic consulting services to the Group.

Singapore – where Asia Wealth Singapore is domiciled and provides management services to the Group.

The reportable segments' revenue, other profit and loss disclosures and assets were as follows:

Expressed in U.S. Dollars

11) SEGMENTAL INFORMATION (Cont'd)

Revenue

	2014			2013		
	Total segment revenue	Inter-segment revenue	Revenue from external customers	Total segment revenue	Inter-segment revenue	Revenue from external customers
BVI	1,967,605	–	1,967,605	2,173,821	–	2,173,821
Thailand	247,580	(247,580)	–	284,738	(284,738)	–
Singapore	166,597	(166,597)	–	227,884	(227,884)	–
Total	$2,381,782	$(414,177)	$1,967,605	$2,686,443	$(512,622)	$2,173,821

The revenue between segments is carried out at arm's length.

Other profit and loss disclosures

	2014			2013		
	Commission expense	Depre-ciation	Income tax	Commission expense	Depre-ciation	Income tax
BVI	1,125,948	636	–	1,217,498	38	–
Thailand	–	17,169	2,633	–	15,869	4,774
Singapore	–	1,518	461	–	1,044	104
Total	$1,125,948	$19,323	$3,094	$1,217,498	$16,951	$4,878

Assets

	2014		2013	
	Total Assets	Additions to non-current assets	Total Assets	Additions to non-current assets
BVI	2,394,649	3,152	2,576,087	783
Thailand	132,932	1,381	143,569	1,913
Singapore	21,869	354	37,992	3,634
Total	$2,549,450	$4,887	$2,757,648	$6,330

Intersegment assets amounting to $1,815,597 (2013: $1,319,958) were already eliminated in the total assets per segment above.

Revenues from two customers of the BVI segment represent approximately 88% (2013: 79%) of the Group's total revenues.

Expressed in U.S. Dollars

12) FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Financial assets of the Group include cash and cash equivalents and trade receivables. Financial liabilities include trade payables and other payables and accrued expenses.

a) Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the Group's financial instruments. The Group's exposure to market risk is determined by a number of factors which include interest rate risk.

Interest rate risk

The financial instruments exposed to interest rate risk comprise cash and cash equivalents.

The Group is exposed to interest rate cash flow risk on cash and cash equivalents, which earn interest at floating interest rates that are reset as market rates change. The Group is exposed to interest rate risk to the extent that these interest rates may fluctuate.

A sensitivity analysis was performed with respect to the interest-bearing financial instruments with exposure to fluctuations in interest rates and management noted that there would be no material effect to shareholders' equity or net income for the year.

b) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if financial instrument counterparties failed to perform as contracted.

As at 28 February 2014, the Group's financial assets exposed to credit risk amounted to the following:

	2014	2013
Cash and cash equivalents	1,874,858	1,965,123
Trade receivables	242,314	358,986
Investment	318,162	318,162
	$2,435,334	$2,642,271

The ageing of the Group's trade receivables as at 28 February 2014 is as follows:

	2014		2013	
	Gross	Impairment	Gross	Impairment
1 – 90 days	129,115	–	243,483	–
91 – 180 days	113,199	–	115,503	–
	$242,314	$ –	$358,986	$ –

12) FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Cont'd)

b) Credit risk

The Group invests all its available cash and cash equivalents in several banks. The Group is exposed to credit risk to the extent that these banks may be unable to repay amounts owed. To manage the level of credit risk, the Group attempts to deal with banks of good credit standing, whenever possible.

The Group has two significant customers which expose it to credit risk, though the exposure to credit risk is reduced as these customers have a good working relationship with the Group. To reduce exposure to credit risk, the Group may perform ongoing credit evaluations on the financial condition of its customers, but generally does not require collateral.

The Group is exposed to credit risk with respect to its investment. Bankruptcy or insolvency of the investee company may cause the Group's rights to the security to be delayed or limited.

The extent of the Group's exposure to credit risk in respect of these financial assets approximates their carrying values.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational needs as they arise.

13) FAIR VALUE INFORMATION

The Group's investment at the reporting date comprises an investment in the unlisted ordinary shares of RAFA. Ordinary shares that have no active market and whose fair value cannot be reliably measured are carried at cost, less impairment, if any.

For certain of the Group's financial instruments, not carried at fair value, including cash and cash equivalents, trade receivables, trade payables and other payables and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

Expressed in U.S. Dollars

13) **FAIR VALUE INFORMATION** (Cont'd)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level of input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgment by the Group. The Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets are therefore classified within Level 1.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. The Group's Level 3 investment comprises an investment in unlisted shares valued at cost, since there was no information to estimate their fair values. The Group believes that the value stated as at 28 February 2014 is most representative of its fair value.

The following table analyses within the fair value hierarchy the Group's financial assets (by class) measured at fair value at the reporting date:

	2014	**2013**
Level 3		
Available-for-sale investment	$318,162	$318,162

The Group did not hold any investments under the Level 1 and Level 2 hierarchies as at 28 February 2014 and 2013.

There were no significant investments transferred between Levels 1, 2 and 3.

14) **CAPITAL RISK MANAGEMENT**

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern; and
- to provide adequate returns to its shareholders.

In order to maintain or balance its overall capital structure to meet its objectives, the Group is continually monitoring the level of share issuance and any dividend declaration and distributions to shareholder(s) in the future.

15) COMPARATIVES

Certain comparative figures have been reclassified to conform with the current year's presentation.