

Financial Statements and Related Announcement::Third Quarter Results


Issuer & Securities

Issuer/ Manager	BOARDROOM LIMITED
Securities	BOARDROOM LIMITED - SG1J08885589 - B10
Stapled Security	No

Announcement Details

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Additional Details

For Financial Period Ended	30/09/2017
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BOARDROOM LIMITED
(Registration No. 200003902Z)

THIRD QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP					
	S\$'000		%	S\$'000		%
	3rd Qtr 1 Jul 2017 to 30 Sep 2017	3rd Qtr 1 Jul 2016 to 30 Sep 2016	Increase / (Decrease)	9M17 1 Jan 2017 to 30 Sep 2017	9M16 1 Jan 2016 to 30 Sep 2016	Increase / (Decrease)
Corporate Secretarial Fees	5,131	4,885	5.0%	16,156	15,218	6.2%
Share Registry Fees	8,746	8,261	5.9%	23,400	22,452	4.2%
Accounting & Payroll Fees	3,851	3,579	7.6%	11,561	11,437	1.1%
Total Revenue	17,728	16,725	6.0%	51,117	49,107	4.1%
Other Income	75	53	41.5%	501	542	-7.6%
Employee Benefits Expense	(11,485)	(10,800)	6.3%	(32,413)	(31,901)	1.6%
Operating Expenses	(3,154)	(3,404)	-7.3%	(9,816)	(10,472)	-6.3%
Interest on Bank Borrowings	(61)	(77)	-20.8%	(183)	(235)	-22.1%
Depreciation & Amortisation	(741)	(667)	11.1%	(2,062)	(1,971)	4.6%
Impairment of Goodwill	-	-	-	-	-	-
Gain/(Loss) on Foreign Exchange	22	71	-69.0%	(4)	(24)	-83.3%
Profit Before Tax	2,384	1,901	25.4%	7,140	5,046	41.5%
Less: Income Tax Expense	(716)	(464)	54.3%	(1,646)	(1,238)	33.0%
Profit After Tax	1,668	1,437	16.1%	5,494	3,808	44.3%
Other Comprehensive Income:						
Items that may be classified subsequently to profit or loss						
Foreign Currency Translation Gain/(Loss)	52	1,572	-96.7%	(679)	(493)	37.7%
Other Comprehensive Income/(Loss) for the Period	52	1,572	-96.7%	(679)	(493)	37.7%
Total Comprehensive Income for the Period	1,720	3,009	-42.8%	4,815	3,315	45.2%
PROFIT AFTER TAX ATTRIBUTABLE TO:						
Owners of the Parent	1,668	1,437	16.1%	5,494	3,808	44.3%
Non-Controlling Interests	-	-	-	-	-	-
Profit After Tax	1,668	1,437	16.1%	5,494	3,808	44.3%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Parent	1,720	3,009	-42.8%	4,815	3,315	45.2%
Non-Controlling Interests	-	-	-	-	-	-
Total Comprehensive Income for the Period	1,720	3,009	-42.8%	4,815	3,315	45.2%

NM : Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		S\$'000		S\$'000	
		30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
NON-CURRENT ASSETS					
Property, plant and equipment		1,941	1,972	471	495
Computer software		5,649	4,734	177	257
Investments in subsidiaries	1	-	-	85,893	84,793
Intangible assets	2	65,030	64,205	-	-
Deferred tax assets		190	260	-	-
		72,810	71,171	86,541	85,545
CURRENT ASSETS					
Trade and other receivables		18,244	17,169	1,687	1,536
Unbilled disbursements		181	45	-	-
Amounts due from subsidiaries (non-trade)		-	-	4,442	3,432
Income Tax receivable		-	156	-	-
Cash and cash equivalents		17,947	20,185	1,962	5,386
		36,372	37,555	8,091	10,354
Less:					
CURRENT LIABILITIES					
Trade and other payables		13,627	13,221	1,465	1,129
Disbursements billed in advance		12	52	-	-
Bank borrowings		1,500	1,500	1,500	1,500
Amount due to subsidiaries (non-trade)		-	-	807	-
Amounts due to customers for work-in-progress		1,569	2,327	-	-
Income tax payable		1,121	714	609	559
		17,829	17,814	4,381	3,188
Net current assets		18,543	19,741	3,710	7,166
Bank borrowings		(7,750)	(8,500)	(7,750)	(8,500)
Provision for employees benefits		(302)	(351)	-	-
Deferred tax liabilities		(5,134)	(4,836)	(143)	(143)
NET ASSETS		78,167	77,225	82,358	84,068
FINANCED BY:					
Equity attributable to owners of the parent					
Share capital		37,554	37,554	37,554	37,554
Reserves		40,613	39,671	44,804	46,514
TOTAL EQUITY		78,167	77,225	82,358	84,068

Notes:

- Increase in investments in subsidiaries contributed to additional investments in Boardroom Executive Services.
- Intangible Assets represent primarily goodwill arising from acquisitions of Arthur Andersen's Corporate Secretarial and Accounting Business, Hong Kong, Malaysian, Australian and China subsidiaries. Any excess of the consideration over the fair value of the net assets as at the date of the acquisition represents goodwill.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30 Sep 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	1,500	NIL	1,500

Amount repayable after one year

As at 30 Sep 2017		As at 31 Dec 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	7,750	NIL	8,500

Details of any collateral

NIL

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP			
	S\$'000			
	3rd Qtr 1 Jul 2017 to 30 Sep 2017	3rd Qtr 1 Jul 2016 to 30 Sep 2016	9M17 1 Jan 2017 to 30 Sep 2017	9M16 1 Jan 2016 to 30 Sep 2016
CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	2,384	1,901	7,140	5,046
Adjustments for:				
Depreciation & amortisation	741	667	2,062	1,971
Loss from disposal of property, plant and equipment	-	-	-	3
Allowance for impairment of trade receivables	268	64	427	565
Exchange differences	(14)	28	24	116
Interest income	(59)	(60)	(177)	(192)
Interest expense	61	77	183	235
Operating profit before working capital changes	3,381	2,677	9,659	7,744
(Increase)/decrease in operating receivables and prepayments	(1,637)	940	(1,847)	(619)
Increase/(decrease) in operating payable	1,872	2,112	232	(1,193)
Increase/(decrease) in amounts due to customers for work-in-progress	606	152	(574)	(819)
Cash generated from operations	4,222	5,881	7,470	5,113
Interest expense paid	(61)	(77)	(183)	(235)
Income tax (paid)/received	(489)	16	(1,200)	(1,526)
Net cash generated from operating activities	3,672	5,820	6,087	3,352
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(255)	(235)	(690)	(616)
Acquisition of computer software	(377)	(526)	(1,133)	(1,487)
Acquisition of subsidiary (note A)	(1,921)	-	(1,921)	-
Proceeds from sale of property, plant and equipment	-	6	-	13
Interest received	59	60	177	192
Net cash used in investing activities	(2,494)	(695)	(3,567)	(1,898)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividends paid	-	-	(3,873)	(3,873)
Repayment of bank borrowings	-	-	(750)	(750)
Net cash used in financing activities	-	-	(4,623)	(4,623)
Net increase/(decrease) in cash and cash equivalents	1,178	5,125	(2,103)	(3,169)
Cash and cash equivalents at beginning of the period	16,767	12,458	20,185	20,990
Exchange gain/(loss) arising from translation of foreign currencies cash and cash equivalents	2	162	(135)	(76)
CASH AND CASH EQUIVALENTS AT PERIOD END	17,947	17,745	17,947	17,745

Note A:**Acquisition of Subsidiary**

The Group acquired a subsidiary. The fair value of the identifiable assets acquired and liabilities assumed of the subsidiary as at acquisition date were as follows:

	Fair value Recognised on Acquisition S\$,000
Intangible assets	1,921
Deferred tax liabilities	(576)
Total identifiable net assets at fair value	1,345
Goodwill arising from acquisition	576
	1,921
CONSIDERATION TRANSFERRED FOR THE ACQUISITION	
Cash paid	1,921
EFFECT OF THE ACQUISITION ON CASH FLOWS	
Consideration settled in cash	1,921
CASH OUTFLOW ON ACQUISITIONS	1,921

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Attributable to Owners of the Parent					
	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interest	Share option capital reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	37,554	(11,637)	(12,569)	-	63,877	77,225
Total comprehensive income for the period	-	(731)	-	-	3,826	3,095
2016 final tax-exempt cash dividend of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2017	37,554	(12,368)	(12,569)	-	63,830	76,447
Total comprehensive income for the period	-	52	-	-	1,668	1,720
Balance as at 30 September 2017	37,554	(12,316)	(12,569)	-	65,498	78,167
Balance as at 1 January 2016	37,554	(12,513)	(12,569)	(248)	60,751	72,975
Total comprehensive income for the period	-	(2,065)	-	-	2,371	306
Expiry of employee share options	-	-	-	248	(248)	-
2015 final tax-exempt cash dividends of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2016	37,554	(14,578)	(12,569)	-	59,001	69,408
Total comprehensive income for the period	-	1,572	-	-	1,437	3,009
Balance as at 30 September 2016	37,554	(13,006)	(12,569)	-	60,438	72,417
COMPANY	Share capital	Exchange translation reserve	Premium paid on acquisition of non-controlling interest	Share option capital reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2017	37,554	-	-	-	46,514	84,068
Total comprehensive income for the period	-	-	-	-	1,502	1,502
2016 final tax-exempt cash dividend of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2017	37,554	-	-	-	44,143	81,697
Total comprehensive income for the period	-	-	-	-	661	661
Balance as at 30 September 2017	37,554	-	-	-	44,804	82,358
Balance as at 1 January 2016	37,554	-	-	634	45,843	84,031
Total comprehensive income for the period	-	-	-	-	5,800	5,800
Expiry of employee share options	-	-	-	(634)	634	-
2015 final tax-exempt cash dividends of S\$0.020 per share	-	-	-	-	(3,873)	(3,873)
Balance as at 30 June 2016	37,554	-	-	-	48,404	85,958
Total comprehensive income for the period	-	-	-	-	862	862
Balance as at 30 September 2016	37,554	-	-	-	49,266	86,820

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company's share capital of \$37,553,746 as at 30 September 2017 remained the same as of 31 December 2016.

The Company no longer has any share option scheme. There were no shares held as treasury shares as at 30 September 2017 and 30 September 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares was 193,660,184 as at 30 September 2017 and 31 December 2016.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There are no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There are no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

These figures have not been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

There is no auditors' report as these figures have not been audited nor reviewed by the Company's auditors.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the financial year ended 31 December 2016.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Nil.

6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	30 Sep 2017	30 Sep 2016
Earnings per ordinary share for the period attributable to owners of the parent after deducting any provision for preference dividends :-		
(a) Based on weighted average number of ordinary shares on issue; and	2.84 cents	1.97 cents
(b) On a fully diluted basis	2.84 cents	1.97 cents

Notes:

- The earnings per share is calculated on the profit after tax attributable to owners of the parent on the weighted average number of shares in issue of 193,660,184 (30 September 2016 – 193,660,184).
- The diluted earnings per share is calculated on the profit after tax attributable to owners of the parent on the number of shares in issue adjusted for the effect of dilutive potential ordinary shares. The total number of shares amounted to 193,660,184 (30 September 2016 – 193,660,184).

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	40.36 cents	39.88 cents	42.53 cents	43.41 cents

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF PERFORMANCE OF THE GROUP

3 months to 30 September 2017

The Group's revenue for the three months ended 30 September 2017 ("3Q17") totaled \$17.7 million compared to previous corresponding three months ended 30 September 2016 ("3Q16") of \$16.7 million. The 6.0% increase was due to higher revenue of approximately S\$807,000 and a favourable foreign exchange impact of approximately \$196,000.

Total expenses increased \$542,000 or 3.6% partly due to \$155,000 or 1.0% negative foreign currency exchange impact. In constant currency terms, our total expenses increased \$387,000 or 2.6%. The increase was attributed to a higher staff bonus provision in 3Q17 for retaining staff in the highly competitive labour markets in which we operate in.

The Group's profit before tax for 3Q17 increased by 25.4% to \$2.4 million (3Q16: \$1.9 million) mainly due to higher revenue. Income tax expense for 3Q17 increased by 54.3% to \$716,000 (3Q16: \$464,000) in line with the increase in profit before tax.

The Group's net profit after tax for 3Q17 of \$1.7 million was 16.1% or \$231,000 higher compared to 3Q16's \$1.4 million.

Other comprehensive income of \$52,000 gain for 3Q17 (3Q17: \$1.6 million gain) arose from the translation of financial statements of foreign subsidiaries.

9 months to 30 September 2017

The Group's revenue for the nine months ended 30 September 2017 ("9M17") totaled \$51.1 million compared to previous corresponding nine months ended 30 September 2016 ("9M16") of \$49.1 million. The 4.1% increase was due to higher revenue of approximately S\$1.5 million and a favourable foreign exchange impact of approximately \$540,000.

Other income for 9M17 decreased by 7.6% to \$501,000 (9M16: \$542,000) mainly due to lower receipt of Wage Credit Scheme claims from the Singapore tax authority.

Total expenses decreased \$125,000 or 0.3%. This comprise of total cost savings of approximately \$557,000 or 1.3%, in constant currency terms, offset by a 432,000 or 1.0% negative foreign exchange impact.

The Group's profit before tax for 9M17 increased by 41.5% to \$7.1 million (9M16: \$5.0 million) mainly due to higher revenue and higher productivity with cost(s) containment initiatives. Income tax expense for 9M17 increased by 33.0% to \$1.6 million (9M16: \$1.2 million) in line with the increase in profit before tax.

The Group's net profit after tax for 9M17 of \$5.5 million was 44.3% (\$1.7 million) higher compared to 9M16's \$3.8 million.

Other comprehensive loss of \$679,000 for 9M17 (9M16: \$493,000 loss) arose from the translation of financial statements of foreign subsidiaries.

Statement of Financial Position

Computer Software

Investment in developing an operational system by Boardroom Australia and payroll software system by Boardroom Business Solutions Singapore was the main reason for the increase in capitalised computer software cost from \$4.7 million as of 31 December 2016 to \$5.6 million as of 30 September 2017.

Net Current Assets Position of the Group

The Group reported a lower net current assets position of \$18.5 million as of 30 September 2017, compared to \$19.7 million as of 31 December 2016 mainly due to lower cash balance after the final 2016 dividend payout amounting to \$3.9 million.

Term Loan

Term loan balance decreased from \$10.0 million at 31 December 2016 to \$9.3 million at 30 September 2017 in line with the on-going scheduled repayments of the loan.

- 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

None.

- 10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group's financial performance is expected to remain satisfactory as reflected in the current YTD Q3 2017 results. Management is cognizant of the need to retain talent in the drive for higher productivity and margins. We are also constantly looking to invest in new technologies to drive higher revenue growth and scalable new service offerings in this competitive service environment.

Overall, management is still cautiously confident in delivering a satisfactory performance for the Group.

- 11. Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

- 12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/recommended for the current financial period and the corresponding period of the immediately preceding financial year.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have an interested person transaction mandate.

14. Negative Confirmation By The Board Pursuant To Rule 705(5).

We, Goh Geok Khim and Kim Teo Poh Jin being two directors of Boardroom Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the third quarter ended 30 September 2017 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board of Directors

Goh Geok Khim
Chairman

Kim Teo Poh Jin
Chief Executive Officer

BY ORDER OF THE BOARD

Kim Teo Poh Jin
Chief Executive Officer
10 November 2017