

BOARDROOM LIMITED

(Registration No. 200003902Z)

FIRST QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), 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.

STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	S\$'000		%
	1st Qtr 1 Jul 2013 to 30 Sep 2013	1st Qtr 1 Jul 2012 to 30 Sep 2012 (Restated)	Increase/ (Decrease)
Corporate Secretarial Fees	4,579	4,173	9.7%
Shareholder Services Fees	6,597	6,834	-3.5%
Accounting & Payroll Fees	3,180	3,386	-6.1%
Total Revenue	14,356	14,393	-0.3%
Other income	77	81	-4.9%
Staff Cost	(9,225)	(8,945)	3.1%
Operating Expenses	(2,834)	(3,136)	-9.6%
Interest on Borrowings	(84)	(98)	-14.3%
Depreciation and Amortisation	(775)	(887)	-12.6%
Gain / (Loss) on Foreign Exchange	(102)	31	NM
Profit Before Tax	1,413	1,439	-1.8%
Less: Income Tax	(422)	(373)	13.1%
Profit After Tax	991	1,066	-7.0%
Other Comprehensive Income			
Exchange translation difference arising from financial statements of foreign subsidiaries and associate company	(125)	(1,107)	-88.7%
Total Comprehensive Income for the Period	866	(41)	NM
PROFIT AFTER TAX ATTRIBUTABLE TO:			
Owners of the Parent	991	1,165	-14.9%
Non-Controlling Interests	0	(99)	NM
Profit After Tax	991	1,066	-7.0%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Parent	866	56	1446.4%
Non-Controlling Interests	0	(97)	NM
Total Comprehensive Income for the Period	866	(41)	NM

NM: Not Meaningful

Notes:

The results for 1Q13 have been restated to include the amortisation and the corresponding reduction in income tax from the finalisation of the Purchase Price Allocation (PPA) exercise in accordance with FRS 103R Business Combinations for the acquisition of CRA Plan Managers Pty Ltd in FY12. The amortisation charge and income tax for 1Q13 have been restated by \$63,000 and \$11,000 respectively.

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 2013	30 JUN 2013	30 SEP 2013	30 JUN 2013
NON-CURRENT ASSETS					
Property, Plant & Equipment		2,529	2,318	286	311
Computer Software		149	159	45	60
Interest in Subsidiaries		0	0	86,303	86,303
Intangible Assets	1	73,942	74,491	0	0
Deferred Income Tax Assets		783	769	0	0
		77,403	77,737	86,634	86,674
CURRENT ASSETS					
Trade Receivables		12,837	12,278	0	0
Unbilled Disbursements		231	120	0	0
Other Receivables		2,641	2,779	1,927	1,498
Loans to Subsidiaries		0	0	2,263	1,745
Amount due from Subsidiaries (non-trade)		0	0	3,785	3,219
Derivative Assets		113	229	113	229
Cash & Cash Equivalents		6,971	8,874	1,092	1,292
		22,793	24,280	9,180	7,983
Less:					
CURRENT LIABILITIES					
Trade Payables		7,251	10,385	579	1,164
Disbursements Billed in Advance		41	59	0	0
Term Loan - Current Portion		3,000	3,000	3,000	3,000
Revolving Credit Facility		7,900	7,500	7,900	7,500
Other Payables		1,457	1,381	6	5
Amount owing to Subsidiaries (non-trade)		0	0	1,459	716
Excess of Progress Billings over Work-In-Progress		2,311	2,065	0	0
Provision for Taxation		1,797	1,204	379	298
		23,757	25,594	13,323	12,683
Net Current Liabilities		(964)	(1,314)	(4,143)	(4,700)
Term Loan		(3,500)	(4,250)	(3,500)	(4,250)
Provision for Employees Benefits		(493)	(515)	0	0
Deferred Taxation		(7,578)	(7,676)	(61)	(61)
NET ASSETS		64,868	63,982	78,930	77,663
FINANCED BY:					
Equity attributable to owners of the parent					
Share Capital		32,604	32,584	32,604	32,584
Reserves		32,264	31,398	46,326	45,079
		64,868	63,982	78,930	77,663
Non-Controlling Interests		0	0	0	0
TOTAL EQUITY		64,868	63,982	78,930	77,663

Notes:

- Intangible Assets represent goodwill arising from acquisitions of Arthur Andersen's Corporate Secretarial and Accounting Business, Aspire CS Pte Ltd (formerly known as Chorpee Corporate Services Pte Ltd), 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 30/09/2013		As at 30/06/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	10,900	NIL	10,500

Amount repayable after one year

As at 30/09/2013		As at 30/06/2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
NIL	3,500	NIL	4,250

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	
	1st Qtr 1 Jul 2013 to 30 Sep 2013	1st Qtr 1 Jul 2012 to 30 Sep 2012 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	1,413	1,439
Adjustments for:		
- Depreciation and Amortisation	775	887
- Loss from Disposal of Property, Plant and Equipment	14	0
- Exchange Difference	97	(165)
- Interest Income	(30)	(19)
- Interest On Borrowings	84	98
- Share Based Payment	0	71
Operating Profit Before Working Capital Changes	2,353	2,311
(Increase)/Decrease in Operating Receivables	(560)	496
(Decrease) in Operating Payables	(3,088)	(2,222)
Increase in Excess of Progress Billings over Work-In-Progress	257	229
Cash (Used)/Generated from Operations	(1,038)	814
Interest Paid	(86)	(100)
Refund/(Payment) of Income Tax	45	(405)
Net Cash (Used)/Generated from Operating Activities	(1,079)	309
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant and Equipment	(485)	(181)
Acquisition of Computer Software	(17)	(3)
Interest Received	30	19
Net Cash Used in Investing Activities	(472)	(165)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Exercise of Employee Share Options	20	0
Repayment of Borrowings	(750)	(750)
Proceeds from Loans & Borrowings	400	0
Net Cash Used in Financing Activities	(330)	(750)
Net Decrease in Cash and Cash Equivalents	(1,881)	(606)
Cash and Cash Equivalents at beginning	8,874	9,599
Exchange Loss Arising from Translation of Foreign Currency Cash & Cash Equivalents	(22)	(55)
CASH AND CASH EQUIVALENTS AT END (30 SEPTEMBER)	6,971	8,938

- 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.

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Owners of the Parent						Non-Controlling Interests	Total
	Share Capital	Exchange Translation Reserve	Premium paid on acquisition of Non-Controlling Interests	Capital Reserve	Retained Earnings			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		

Balance at 1 July 2013	32,584	(7,829)	(12,569)	(365)	52,161	-	63,982
Total Comprehensive Income for the period	-	(123)	-	(2)	991	-	866
Issue of shares (under Boardroom Share Option Scheme)	20	-	-	-	-	-	20
Balance at 30 September 2013	32,604	(7,952)	(12,569)	(367)	53,152	-	64,868

Balance at 30 June 2012 as previously reported	32,584	(3,051)	(10,809)	(468)	49,552	(423)	67,385
Prior Year Adjustment (Note)	-	1	-	-	(158)	-	(157)
Balance at 1 July 2012 as restated	32,584	(3,050)	(10,809)	(468)	49,394	(423)	67,228
Total Comprehensive Income for the period	-	(1,119)	-	10	1,165	(97)	(41)
Balance at 30 September 2012 as restated	32,584	(4,169)	(10,809)	(458)	50,559	(520)	67,187

Note:

The prior year adjustment arose from the revision of provisional Goodwill for FY2013 following the finalisation of amounts to be recognized for intangible assets including customer relationships, software related to the architecture of the proprietary system and brand name. This pertained to the acquisition of CRA Plan Managers Pty Ltd in FY2012.

COMPANY	Share Capital	Exchange Translation Reserve	Premium paid on acquisition of Non-Controlling Interests	Capital Reserve	Retained Earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

Balance at 1 July 2013	32,584	-	-	634	44,444	77,662
Total Comprehensive Income for the period	-	-	-	-	1,248	1,248
Issue of shares (under Boardroom Share Option Scheme)	20	-	-	-	-	20
Balance at 30 September 2013	32,604	-	-	634	45,692	78,930

Balance at 1 July 2012	32,584	-	-	634	34,674	67,892
Total Comprehensive Income for the period	-	-	-	-	10,757	10,757
Balance at 30 September 2012	32,584	-	-	634	45,431	78,649

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

During the financial period, a total of 58,000 ordinary shares were allotted pursuant to the exercise of share options granted under the Boardroom Share Option Scheme. This gave rise to an increase in the Company's share capital from \$32,584,103.75 as at 30 June 2013 to \$32,603,533.75 as at 30 September 2013.

As at 30 September 2013, there were 249,000 (as at 30 September 2012: 381,000) unissued ordinary shares under exercisable options granted and unexercised under the Boardroom Share Option Scheme. There were no shares held as treasury shares as at 30 September 2013 and 30 September 2012.

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 as at 30 September 2013 was 184,323,250 and as at 30 June 2013 was 184,265,250.

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

Nil.

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).

Not applicable.

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

Yes.

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.

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (INT FRS) that are effective for annual periods beginning on or after 1 July 2013. The adoption of these standards and interpretations does not have any effect on the financial performance or position of the Group and the Company.

Prior year adjustment in accordance with FRS 103R Business Combinations

The financial statements for FY2012 have been restated to reflect the effects of the retrospective adjustment of the goodwill arising from the finalisation of the fair values of the assets and liabilities, relating to the acquisition of CRA Plan Managers Pty Ltd, which were acquired during the financial year ended 30 June 2012. In accordance with FRS 103R Business Combinations, the adjustments arising from the finalisation of such provisional purchase price allocation, which are to be made within twelve months from the date of acquisition, are made retrospectively.

The goodwill arising from this acquisition had not been finalised by the date of issue of the financial statements for the financial year ended 30 June 2012. The Purchase Price Allocation (PPA) exercise in accordance with FRS 103R Business Combinations was completed in FY2013. The provisional Goodwill has been revised with the recognition of intangible assets including customer relationships, software related to the architecture of the proprietary system and brand name.

Consequently, the results for 1Q13 have been restated to include the amortisation and the corresponding reduction in income tax from the finalisation of the Purchase Price Allocation (PPA) exercise in accordance with FRS 103R Business Combinations. The amortisation charge and income tax for 1Q13 have been restated by \$63,000 and \$11,000 respectively. The prior year adjustment was also included in the Intangibles Assets, Deferred Taxation and Reserves in the Statement of Financial Position as at 30 September 2012.

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 2013	30 SEP 2012 (Restated)
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	0.54 cents	0.63 cents
(b) On a fully diluted basis	0.54 cents	0.63 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 184,321,916 (30 September 2012 – 184,265,250).
- 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 184,424,373 (30 September 2012 – 184,410,217).

**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 2013	30 JUN 2013	30 SEP 2013	30 JUN 2013
Net asset value per ordinary share based on issued share capital (excluding treasury shares) at the end of the period reported on	35.19 cents	34.72 cents	42.82 cents	42.15 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

For 3 months ended 30 September 2013 or First Quarter FY2014 ("1Q14")

The Group's revenue for 1Q14 of \$14.4 million (1Q13: \$14.4 million) is 0.3% lower compared to 1Q13, mainly due to the lower revenue contributions from the Accounting & Payroll business and the effect of the weaker Australian dollar (versus 1Q13) on Shareholder services revenue.

Revenue from Accounting & Payroll business reduced by 6.1% to \$3.2 million. This is largely due to the continued pricing pressure faced in a competitive environment. Revenue from Shareholder services decreased by 3.5% to \$6.6 million. The growth in Australian revenue by 5.2% was outstripped by the effect of the weakened Australian dollars which dropped by nearly 10.6% versus Singapore dollars compared to the 1Q13 exchange rate. Revenue from Corporate Secretarial services increased by 9.7% to \$4.6 million, due to increased clientele base in Singapore and Malaysia.

The Group's net profit before tax for 1Q14 of \$1.4 million (1Q13: \$1.4 million) showed a slight decrease of 1.8% compared to 1Q13, mainly due to the increase in staff cost and unrealised foreign exchange loss.

Staff cost for 1Q14 increased by 3.1% from \$8.9 million in 1Q13 to \$9.2 million due to the need to pay competitive salary to hire and retain staff in a continued tight labour market. The foreign exchange loss of \$102,000 recorded in 1Q14 was due mainly to the unrealised mark-to-market loss on the Australian dollar forward contracts entered into as part of the group's hedging policy.

Reduction in provision for doubtful debts and office rental expenses resulted in operating expenses' decrease by 9.6% to \$2.8 million (1Q13 : \$3.1 million).

Interest on borrowings decreased by 14.3% compared to 1Q13 with the term loan reduction from the scheduled loan repayments.

Depreciation and amortisation charge for 1Q14 amounted to \$775,000 (1Q13: \$887,000).

The Group's net profit after tax for 1Q14 amounted to \$1 million, a decrease of 7.0% compared to 1Q13's \$1.1 million.

Income tax for 1Q14 of \$422,000 was higher by 13.1%, compared to 1Q13 due to a tax underprovision for the Singapore operation in 1Q13. The income tax for 1Q13 has also been restated to include the reduction of tax amounted to \$11,000 relating to the above amortisation charge from the finalisation of the PPA exercise.

Total comprehensive income improved to \$866,000 (1Q13 : loss of \$41,000) as the loss from translation of financial statements of foreign subsidiaries was reduced by 88.7% to \$125,000, due mainly to the favourable exchange movement in the Australian Dollar against the Singapore Dollar comparing the exchanges rates of 30 Jun 2013 and 30 September 2013.

Balance Sheets

Net Current Liabilities Position of the Company

The net current liabilities of the Company arose as a result of short-term bank borrowings taken to fund the acquisition of our Australian subsidiary.

Term Loan

The reduction of \$750,000 in term loan was due to the monthly repayment of \$250,000 to our bankers.

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

As disclosed in the Full Year 2013 Financial Results announcement dated 13 August 2013, the Group's performance for the 1st Quarter 2014 was in line with the statement (Paragraph 10) of the Company's announcement dated 13 August 2013.

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 expects that the uncertainties in global economic conditions, increasing staff and operating costs, and continued volatility in foreign currencies will continue to cloud the market outlook.

Nevertheless, the Group expects FY2014 to be satisfactory. The business will take advantage of our expanded global footprint and service offerings to leverage our strengths across the various countries in which we operate and better collaboration with our partners. In addition, the Group continues to implement cost saving measures to mitigate the rising costs.

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 for the current financial period.

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. There were interested person transactions during the financial period under review but these were less than \$100,000 in aggregate.

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 first quarter ended 30 September 2013 to be false or misleading in any material aspect.

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
7 November 2013