

# ASIAN BUSINESS LAW INSTITUTE

*(Public company limited by guarantee)*

*(Incorporated in Singapore. Registration Number: 201500327G)*

## ANNUAL REPORT

*For the financial year ended 31 March 2019*

# **ASIAN BUSINESS LAW INSTITUTE**

*(Public company limited by guarantee)  
(Incorporated in Singapore)*

## **ANNUAL REPORT**

*For the financial year ended 31 March 2019*

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## **ASIAN BUSINESS LAW INSTITUTE**

### **DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2019*

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#### **Directors' statement**

Asian Business Law Institute (the "Company") was incorporated under the Companies Act (Cap. 50) on 2 January 2015 and is a registered Charity with the Commissioner of Charities under the Charities Act (Cap. 37).

Charity Registration Date: 27 October 2016  
Unique Entity Number: 201500327G  
Registered Address: 1 Supreme Court Lane, #06-00, Singapore 178879

The objectives of the Company are to initiate, conduct and facilitate research and produce authoritative texts with a view to providing practical guidance in the field of Asian legal development and promoting the convergence of Asian business laws.

The directors present their statement to the member together with the audited financial statements for the financial year ended 31 March 2019.

#### **Directors' Opinion**

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 23 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year covered by the financial statements; 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 in office at the date of this statement are as follows:

Serene Wee Kheng Lian  
Sriram Sudarsanan Chakravarthi  
Paul Neo Tien Song

## ASIAN BUSINESS LAW INSTITUTE

### DIRECTORS' STATEMENT

*For the financial year ended 31 March 2019*

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#### **Directors' Interests**

The Company is a public company limited by guarantee and has no share capital. There were no shares or debentures issued.

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except for the employment relationship between the directors and the member of the Company for which the directors have received remuneration in that capacity.

#### **Share Options**

The Company is a public company limited by guarantee and has no share capital. As such, there are no share options or unissued shares under option.

#### **Independent auditor**

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



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Serene Wee Kheng Lian  
Director



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Sriram Sudarsanan Chakravarthi  
Director

31 July 2019

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASIAN BUSINESS LAW INSTITUTE

## Report on the Audit of the Financial Statements

### Our opinion

In our opinion, the accompanying financial statements of Asian Business Law Institute (the "Company") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Companies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") 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 2019 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

### *What we have audited*

The financial statements of the Company comprise:

- the statement of comprehensive income for the financial year ended 31 March 2019;
- the balance sheet as at 31 March 2019;
- the statement of changes in equity for the financial year then ended;
- the statement of cash flows for the financial year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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

### *Independence*

We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority 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.

### Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement but does not include the financial statements and our auditor's report thereon.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASIAN BUSINESS LAW INSTITUTE (continued)**

### **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 Companies Act, the Charities Act and Regulations 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.
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ASIAN BUSINESS LAW INSTITUTE** (continued)

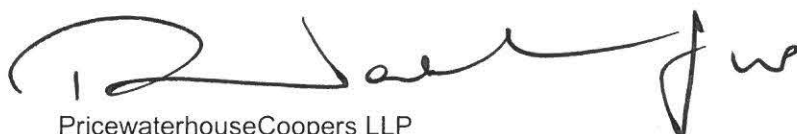
**Auditor's Responsibilities for the Audit of the Financial Statements** (continued)

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 to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the fund-raising appeal held during the financial year has not been carried out in accordance with Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012, and that the proper accounts and other records have not been kept of the fund-raising appeal.



PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 31 July 2019

## ASIAN BUSINESS LAW INSTITUTE

### STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	2019 \$	2018 \$
Interest income from bank deposits		6,202	4,525
Donation income	5	<u>226,800</u>	<u>163,300</u>
		<b>233,002</b>	<b>167,825</b>
Expenses:			
Secondment fees		(128,250)	(233,382)
Employee benefits	7	(343,072)	(161,324)
Professional fees		(153,210)	(134,870)
Other expenses	6	(209,299)	(109,045)
Grants			
- Deferred capital grant amortised	15	4,074	3,638
- Operating grants utilised	14	<u>823,140</u>	<u>662,221</u>
Profit before income tax		<b>226,385</b>	<b>195,063</b>
Income tax credit/(expense)	8	<u>6,617</u>	<u>(27,238)</u>
<b>Profit after tax and total comprehensive income</b>		<b><u>233,002</u></b>	<b><u>167,825</u></b>

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



## ASIAN BUSINESS LAW INSTITUTE

### BALANCE SHEET

As at 31 March 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	9	1,856,609	1,155,298
Other receivables	10	3,227	493
Other current assets	11	1,061	14,950
		<u>1,860,897</u>	<u>1,170,741</u>
<b>Non-current asset</b>			
Plant and equipment	12	<u>3,812</u>	<u>5,928</u>
<b>Total assets</b>		<u>1,864,709</u>	<u>1,176,669</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	13	31,049	48,490
Amount due to Member		168,410	77,445
Grants received in advance	14	745,373	334,505
Current income tax liabilities	8	-	27,238
		<u>944,832</u>	<u>487,678</u>
<b>Non-current liability</b>			
Deferred capital grant	15	<u>3,812</u>	<u>5,928</u>
<b>Total liabilities</b>		<u>948,644</u>	<u>493,606</u>
<b>Net assets</b>		<u>916,065</u>	<u>683,063</u>
<b>EQUITY</b>			
Retained earnings		<u>916,065</u>	<u>683,063</u>
<b>Total equity</b>		<u>916,065</u>	<u>683,063</u>

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

**ASIAN BUSINESS LAW INSTITUTE**

**STATEMENT OF CHANGES IN EQUITY**

*For the financial year ended 31 March 2019*

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	Retained earnings \$
<b>2019</b>	
<b>Beginning of financial year</b>	683,063
Profit after tax and total comprehensive income	233,002
<b>End of financial year</b>	<u><b>916,065</b></u>
<b>2018</b>	
<b>Beginning of financial year</b>	515,238
Profit after tax and total comprehensive income	167,825
<b>End of financial year</b>	<u><b>683,063</b></u>

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*The accompanying notes form an integral part of these financial statements.*

## ASIAN BUSINESS LAW INSTITUTE

### STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	2019 \$	2018 \$
<b>Cash flow from operating activities</b>			
Profit after tax		233,002	167,825
Adjustment for:			
- Income tax (credit)/expense	8	(6,617)	27,238
- Interest income		(6,202)	(4,525)
- Donation income	5	(226,800)	(163,300)
- Grants utilised	14	(823,140)	(662,221)
- Amortisation of deferred capital grant	15	(4,074)	(3,638)
- Depreciation of plant and equipment	12	4,074	3,638
		<u>(829,757)</u>	<u>(634,983)</u>
Change in working capital:			
- Other receivables		(2,734)	396
- Other current assets		13,889	(14,736)
- Other payables		(17,441)	(43,808)
- Amount due to Member		90,965	45,117
Cash used in operations		<u>(745,078)</u>	<u>(648,014)</u>
Grants received	14	1,235,966	398,310
Income tax paid	8	(20,621)	-
<b>Net cash used in operating activities</b>		<u>470,267</u>	<u>(249,704)</u>
<b>Cash flow from investing activities</b>			
Purchase of plant and equipment	12	(1,958)	-
Interest received		6,202	6,607
<b>Net cash generated from investing activities</b>		<u>4,244</u>	<u>6,607</u>
<b>Cash flow from financing activities</b>			
Donation received		226,800	163,300
<b>Net cash provided by financing activities</b>		<u>226,800</u>	<u>163,300</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>701,311</b>	<b>(79,797)</b>
Cash and cash equivalents at the beginning of financial year		<u>1,155,298</u>	<u>1,235,095</u>
<b>Cash and cash equivalents at the end of financial year</b>	9	<u>1,856,609</u>	<u>1,155,298</u>

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

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2019*

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

#### 1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 1 Supreme Court Lane, #06-00, Singapore 178879.

Under Clause 6 of the Memorandum and Articles of Association of the Company, each Member of the Company undertakes to contribute a sum not exceeding \$100 to the assets of the Company in the event of it being wound up. As at 31 March 2019 and 31 March 2018, The Singapore Academy of Law was the sole member (the "Member").

The Company's immediate and ultimate holding entity is The Singapore Academy of Law, established and domiciled in Singapore.

The principal activities of the Company are to conduct legal research, training and development of Asian business laws.

The related party transactions presented in these financial statements refers to transactions with the Supreme Court of Singapore (the "related party").

#### 2. Significant accounting policies

##### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

##### ***Interpretations and amendments to published standards effective in 2019***

On 1 April 2018, the Company adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial period. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2019*

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## 2. Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years, except as disclosed below.

#### *Adoption of FRS 109 Financial Instruments*

The Company has adopted the new standard retrospectively from 1 April 2018, in line with the transition provision permitted under the standards. Comparatives for the financial year ended 31 March 2018 are not restated.

The accounting policies for financial instruments under FRS 109 are disclosed in Note 2.6.

#### Impairment of financial assets:

The Company has the following financial assets subject to the expected credit loss impairment model under FRS 109:

- Cash and bank deposits; and
- Other receivables

The impairment methodology for each of these classes of financial assets under FRS 109 are different as disclosed in Note 2.6 and Note 17(b).

There is no impairment allowance recognised at 1 April 2018 on adoption of FRS 109.

### 2.2 Revenue recognition

Interest income is recognised using the effective interest method.

Donations are recognised as income upon receipt.

### 2.3 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2019*

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

**2.4 Plant and equipment**

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computer equipment	3 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

**2.5 Impairment of non-financial assets**

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of the assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2019*

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

**2.6 Financial assets**

- (a) The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

**Loans and receivables**

Cash and bank deposits  
Other receivables

These financial assets are initially recognised at fair value plus transaction cost and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that the financial assets are impaired. The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

These assets are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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## 2. Significant accounting policies (continued)

### 2.6 Financial assets (continued)

- (b) The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Company classifies its financial assets as financial assets at amortised cost.

The classification depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets.

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Company mainly comprise of cash and bank deposits, and other receivables

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For cash and bank deposits and other receivables, the general 3-stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.



## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2019*

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

##### **2.7 Other payables**

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

##### **2.8 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institution which are subject to an insignificant risk of change in value.

##### **2.9 Grants**

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Grants related to assets are credited to a deferred capital grant account and are released to profit or loss on a straight line basis over the estimated useful lives of the relevant assets.

Grants related to income is recognised in profit or loss when the expense is incurred over the period necessary to match them on a systematic basis, to the costs, which it is intended to compensate.

#### **3. Critical accounting, assumptions and judgements**

Management assessed and concluded that there are no critical accounting estimates and assumptions made by the Company that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **4. Charity status & income tax**

With effect from 27 October 2016, the Company is registered as a charity with the Commissioner of Charities under the Singapore Charities Act (Cap. 37) and is exempted from income tax under the provision of the Income Tax Act (Cap. 134).

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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#### 5. Donation income

The donations are moneys received from organisations to support the Company's works on the convergence of Asian Business Law and its legal research projects.

#### 6. Other expenses

	2019	2018
	\$	\$
Depreciation (Note 12)	4,074	3,638
Event and related expenses	116,885	55,883
Marketing and promotion expenses	3,324	3,064
Printing and stationery	1,458	2,472
Rental expense	19,125	19,938
Software and website maintenance	7,559	5,243
Research expense	23,397	2,211
Telephone expense	3,210	3,218
Others	30,267	13,378
	<u>209,299</u>	<u>109,045</u>

#### 7. Employee benefits

	2019	2018
	\$	\$
Wages and salaries	329,535	157,638
Employer's contribution to defined contribution plans including Central Provident Fund	13,537	3,686
	<u>343,072</u>	<u>161,324</u>

#### 8. Income taxes

##### (a) Income tax (credit)/expense

	2019	2018
	\$	\$
(Over)/under provision in prior financial years	<u>(6,617)</u>	<u>27,238</u>
	<u>(6,617)</u>	<u>27,238</u>

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## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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#### 8. Income taxes (continued)

##### (b) Movements in current income tax liabilities

	2019 \$	2018 \$
Beginning of financial year	27,238	-
(Over)/under provision in prior financial years	(6,617)	27,238
Income tax paid	(20,621)	-
End of financial year	<u>-</u>	<u>27,238</u>

With effect from 27 October 2016, the Company is registered as a charity with the Commissioner of Charities under the Singapore Charities Act (Cap. 37) and is exempted from income tax under the provision of the Income Tax Act (Cap. 134).

#### 9. Cash and cash equivalents

	2019 \$	2018 \$
Cash at bank and on hand	1,350,880	655,298
Fixed deposits with a financial institution	505,729	500,000
	<u>1,856,609</u>	<u>1,155,298</u>

The fixed deposits placed with a financial institution have an average maturity of 5 months (2018: 5 months) from the financial period end and have a weighted-average effective interest rate of 1.55% (2018: 0.8%) per annum at the end of the financial year.

#### 10. Other receivables

	2019 \$	2018 \$
Other receivables	2,261	-
Interest receivable	966	493
	<u>3,227</u>	<u>493</u>

#### 11. Other current assets

	2019 \$	2018 \$
Prepayments	<u>1,061</u>	<u>14,950</u>

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ASIAN BUSINESS LAW INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

12. Plant and equipment

	Computer equipment \$	Total \$
<b>2019</b>		
<u>Cost</u>		
Beginning of financial year	10,915	10,915
Addition	1,958	1,958
End of financial year	12,873	12,873
<u>Accumulated depreciation</u>		
Beginning of financial year	4,987	4,987
Depreciation charge (Note 6)	4,074	4,074
End of financial year	9,061	9,061
<b>Net book value</b>		
<b>At 31 March 2019</b>	<b>3,812</b>	<b>3,812</b>
<b>2018</b>		
<u>Cost</u>		
Beginning and end of financial year	10,915	10,915
<u>Accumulated depreciation</u>		
Beginning of financial year	1,349	1,349
Depreciation charge (Note 6)	3,638	3,638
End of financial year	4,987	4,987
<b>Net book value</b>		
<b>At 31 March 2018</b>	<b>5,928</b>	<b>5,928</b>

13. Other payables

	2019 \$	2018 \$
Other payables to:		
- non-related parties	428	26,037
- related parties	-	3,626
	428	29,663
Accrued operating expenses	30,621	18,827
	<b>31,049</b>	48,490

Other payables to related parties are unsecured, interest-free and repayable on demand.

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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#### 14. Grants received in advance

	2019 \$	2018 \$
Beginning of financial year	334,505	598,416
Grants received during the year	1,235,966	398,310
Transfer to deferred capital grant (Note 15)	(1,958)	-
Transfer to profit or loss	(823,140)	(662,221)
End of financial year	<u>745,373</u>	<u>334,505</u>

#### 15. Deferred capital grant

	2019 \$	2018 \$
Beginning of financial year	5,928	9,566
Transfer from grants received in advance (Note 14)	1,958	-
Transfer to statement of comprehensive income	(4,074)	(3,638)
End of financial year	<u>3,812</u>	<u>5,928</u>

Deferred capital grants are transferred to profit or loss over the periods necessary to match the depreciation of the assets purchased with the grants.

#### 16. Related party transactions

Other than as disclosed elsewhere in the financial statements, there were the following significant related party transactions, at terms agreed between the parties concerned:

##### (a) Income and expenditure for services

	2019 \$	2018 \$
Secondment fees and other fees paid/payable to Member	102,369	100,170
Rental expense payable to Member	19,125	19,938
Rental expense payable to a related party	-	3,626
Operating expenses paid on behalf by Member	<u>501,110</u>	<u>293,552</u>

##### (b) Key management personnel compensation

Key management personnel comprise mainly directors and executives who have the authority and responsibilities for planning, directing and controlling the activities of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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**16. Related party transactions** (continued)

(b) Key management personnel compensation (continued)

The Company incurred a secondment fee amounting to \$51,210 (2018: \$150,000), professional fees amounting to \$150,000 (2018: \$131,250) and wages and salaries amounting to \$104,819 (2018: \$nil) for their services rendered to the Company.

**17. Financial risk management**

The Company's activities expose it to credit risk and liquidity risk.

The Member of the Company is responsible for setting the objectives and underlying principles of financial risk management for the Company. The financial risk management of the Company is handled by the Member.

(a) Market risk

(i) *Currency risk*

The Company's business is not exposed to any significant foreign exchange risk. The Company's transactions and balances are substantially denominated in Singapore Dollar.

(ii) *Price risk*

The Company is not exposed to equity price risk as the Company does not hold any equity financial assets.

(iii) *Interest rate risk*

The Company has insignificant exposure to interest rate risks.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits.

(i) *Risk management*

The Company places its cash and fixed deposits with banks and financial institutions in Singapore. The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the balance sheet.

There are no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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17. Financial risk management (continued)

(b) Credit risk (continued)

(ii) *Impairment of financial assets*

The Company does not have any financial assets that are subjected to more than immaterial credit losses, where the expected credit loss model has been applied.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

In 2018, the impairment of the financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly.

The Company considered that there was evidence if any of the following indicators were present:

- There is significant difficulty of the debtor.
- Breach of contract, such as default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation

*Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with good collection track records with the Company.

There are no credit loss allowance for financial asset at amortised cost as at 31 March 2018.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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17. Financial risk management (continued)

(c) Liquidity risk

The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$
<b>At 31 March 2019</b>	
Other payables	31,049
Amount due to Member	<u>168,410</u>
<b>At 31 March 2018</b>	
Other payables	48,490
Amount due to Member	<u>77,445</u>

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and monitor its capital based on retained earnings. The Company is not subject to any externally imposed capital requirements.

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables, financial assets and financial liabilities at amortised cost are as follows:

	2019 \$
Financial assets, at amortised cost	1,859,836
Financial liabilities, at amortised cost	<u>199,459</u>
	2018 \$
Loans and receivables	1,155,791
Financial liabilities, at amortised cost	<u>125,935</u>

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**ASIAN BUSINESS LAW INSTITUTE**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2019*

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**18. New or revised accounting standards and FRS interpretations**

The Company has not early adopted any mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Company's accounting periods beginning on or after 1 April 2019. However, management anticipates that the adoption of these standards, amendments and interpretations will not have a material impact on the financial statements of the Company in the period of their initial adoption.

**19. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Asian Business Law Institute on 31 July 2019.