

# ASIAN BUSINESS LAW INSTITUTE

*(Public company limited by guarantee)*

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

## ANNUAL REPORT

*For the financial year ended 31 March 2021*

# **ASIAN BUSINESS LAW INSTITUTE**

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

## **ANNUAL REPORT**

*For the financial year ended 31 March 2021*

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## **ASIAN BUSINESS LAW INSTITUTE**

### **DIRECTORS' STATEMENT**

*For the financial year ended 31 March 2021*

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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 2021.

#### **Directors' Opinion**

In the opinion of the directors,

- (a) the financial statements as set out on pages 6 to 25 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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  
Rama Shankar Tiwari (Appointed on 31 December 2020)  
Paul Neo Tien Song  
Ban Jiun Ean (Appointed on 31 December 2020)

## ASIAN BUSINESS LAW INSTITUTE

### DIRECTORS' STATEMENT

*For the financial year ended 31 March 2021*

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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.

On behalf of the directors



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Rama Shankar Tiwari  
Director



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Paul Neo Tien Song  
Director

13 August 2021

# 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 "Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 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 2021;
- the balance sheet as at 31 March 2021;
- 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 Act, the Charities Act and Regulations and FRS, 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.

Those charged with governance comprise the directors. Their 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.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 Company has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.



PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore, 13 August 2021

## ASIAN BUSINESS LAW INSTITUTE

### STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

	Note	2021 \$	2020 \$
Revenue	3	56,640	-
Other income	4	25,746	12,092
Expenses:			
Secondment fees		(76,770)	(102,848)
Employee benefits	6	(474,367)	(446,101)
Professional fees		(40,710)	(153,210)
Other expenses	5	(115,051)	(172,259)
		<u>(706,898)</u>	<u>(874,418)</u>
Grants			
- Deferred capital grant amortised	15	2,166	3,679
- Operating grants utilised	14	704,732	870,739
		<u>706,898</u>	<u>874,418</u>
Profit before income tax		<u>82,386</u>	<u>12,092</u>
Income tax expense	7	-	-
<b>Profit after tax and total comprehensive income</b>		<u><b>82,386</b></u>	<u><b>12,092</b></u>

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



## ASIAN BUSINESS LAW INSTITUTE

### BALANCE SHEET

As at 31 March 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	8	3,022,698	2,433,300
Trade and other receivables	9	2,773	15,893
Other current assets	10	2,023	2,007
		<u>3,027,494</u>	<u>2,451,200</u>
<b>Non-current asset</b>			
Plant and equipment	11	<u>2,541</u>	<u>4,707</u>
<b>Total assets</b>		<u>3,030,035</u>	<u>2,455,907</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	12	43,603	130,622
Deferred grant income		-	11,400
Amount due to Member	13	116,249	198,017
Grants received in advance	14	1,843,383	1,183,004
Contract liabilities	3	13,716	-
		<u>2,016,951</u>	<u>1,523,043</u>
<b>Non-current liability</b>			
Deferred capital grant	15	<u>2,541</u>	<u>4,707</u>
<b>Total liabilities</b>		<u>2,019,492</u>	<u>1,527,750</u>
<b>Net assets</b>		<u>1,010,543</u>	<u>928,157</u>
<b>EQUITY</b>			
Retained earnings		<u>1,010,543</u>	<u>928,157</u>
<b>Total equity</b>		<u>1,010,543</u>	<u>928,157</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 2021*

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	Retained earnings \$
<b>2021</b>	
<b>Beginning of financial year</b>	928,157
Profit after tax and total comprehensive income	82,386
<b>End of financial year</b>	<u><b>1,010,543</b></u>
<b>2020</b>	
<b>Beginning of financial year</b>	916,065
Profit after tax and total comprehensive income	12,092
<b>End of financial year</b>	<u><b>928,157</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 2021

	Note	2021 \$	2020 \$
<b>Cash flow from operating activities</b>			
Profit after tax		82,386	12,092
Adjustment for:			
- Interest income	4	(6,358)	(12,092)
- Operating grants utilised	14	(704,732)	(870,739)
- Amortisation of deferred capital grant	15	(2,166)	(3,679)
- Depreciation of plant and equipment	11	2,166	3,679
		<u>(628,704)</u>	<u>(870,739)</u>
Change in working capital:			
- Trade and other receivables		10,501	(10,835)
- Other current assets		(16)	(946)
- Other payables		(87,019)	99,573
- Deferred grant income		(11,400)	11,400
- Contract liabilities		13,716	-
- Amount due to Member		(81,768)	29,607
Cash used in operations		<u>(784,690)</u>	<u>(741,940)</u>
Grants received	14	1,365,111	1,312,944
Income tax paid	7	-	-
<b>Net cash provided by operating activities</b>		<u>580,421</u>	<u>571,004</u>
<b>Cash flow from investing activities</b>			
Purchase of plant and equipment	11	-	(4,574)
Interest received		8,977	10,261
<b>Net cash provided by investing activities</b>		<u>8,977</u>	<u>5,687</u>
<b>Net increase in cash and cash equivalents</b>		<b>589,398</b>	<b>576,691</b>
Cash and cash equivalents at the beginning of financial year		<u>2,433,300</u>	<u>1,856,609</u>
<b>Cash and cash equivalents at the end of financial year</b>	8	<u>3,022,698</u>	<u>2,433,300</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 2021*

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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 2021 and 31 March 2020, 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.

#### 2. Significant accounting policies

##### 2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") under the historical cost convention, except as disclosed in the accounting policies below.

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. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

##### ***Interpretations and amendments to published standards effective in 2021***

On 1 April 2020, 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.

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.

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

**2.2 Revenue recognition**

Income from webinars are recognised as a performance obligation satisfied over time and is recognised over the duration of the webinars.

Publication income is recognised at a point in time when the publication are delivered to the customer.

Interest income is recognised using the effective interest method.

Donations are recognised as income upon receipt.

**2.3 Grants**

Grants are recognised as a receivable 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 receivables are recognised as other income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grants relating to expenses are shown separately as other income.

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.

**2.4 Employee compensation**

Employee benefits are recognised as an expense.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory or contractual basis. The Company has no further payment obligations once the contributions have been paid.

(b) Employers leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

**2.5 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.

**2.6 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 2021

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2. Significant accounting policies (continued)

2.7 Financial assets

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.

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

**2.8 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.

**2.9 Leases**

When the Company is the lessee

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.



NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 March 2021*

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

**2.9 Leases** (continued)

- Lease liabilities (continued)

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Company's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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

##### 2.10 Cash and cash equivalents

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

#### 3. Revenue from contracts with customers

##### (a) Disaggregation of revenue from contracts with customer

	At a point in time	Over time	Total
	\$	\$	\$
<b>2021</b>			
Income from webinars	-	23,280	23,280
Publication income	33,360	-	33,360
Total	33,360	23,280	56,640

##### (b) Contract liabilities

	31 March		1 April
	2021	2020	2019
	\$	\$	\$
<i>Contract liabilities</i>			
- Advance billings for publication income	13,716	-	-

##### (i) Unsatisfied performance obligations

As at 31 March 2021, there are no unsatisfied contracts exceeding one year. As permitted under FRS 115, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less, or are billed based on time incurred, is not disclosed.

##### (c) Trade receivables from contracts with customers

	31 March		1 April
	2021	2020	2019
	\$	\$	\$
Current assets			
Trade receivables from contracts with customers (Note 9)	2,595	-	-
Loss allowance (Note 9)	-	-	-
	2,595	-	-

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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#### 4. Other income

	2021 \$	2020 \$
Donation income	17,834	-
Interest income from bank deposits	6,358	12,092
Sundry income	1,554	-
	<u>25,746</u>	<u>12,092</u>

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

#### 5. Other expenses

	2021 \$	2020 \$
Depreciation (Note 11)	2,166	3,679
Event and related expenses	9,962	43,914
Marketing and promotion expenses	1,364	-
Printing and stationery	-	388
Rental expense	44,041	38,289
Software and website maintenance	4,332	8,226
Research expense	8,668	30,365
Telephone expense	770	3,210
Others	43,748	44,188
	<u>115,051</u>	<u>172,259</u>

#### 6. Employee benefits

	2021 \$	2020 \$
Wages and salaries	455,307	427,739
Employer's contribution to defined contribution plans including Central Provident Fund	19,060	18,362
	<u>474,367</u>	<u>446,101</u>

#### 7. Income taxes

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).

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## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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#### 8. Cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and on hand	2,010,173	1,429,752
Fixed deposits with a financial institution	1,012,525	1,003,548
	<u>3,022,698</u>	<u>2,433,300</u>

The fixed deposits placed with a financial institution have an average maturity of 4 months (2020: 4 months) from the financial year end and have a weighted-average effective interest rate of 0.10% (2020: 1.59%) per annum at the end of the financial year.

#### 9. Trade and other receivables

	2021 \$	2020 \$
Trade receivables	2,595	-
Other receivables	-	13,096
Interest receivable	178	2,797
	<u>2,773</u>	<u>15,893</u>

#### 10. Other current assets

	2021 \$	2020 \$
Prepayments	2,023	2,007

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## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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#### 11. Plant and equipment

	<u>Computer equipment</u> \$
<b>2021</b>	
<u>Cost</u>	
Beginning of financial year	17,447
Addition	-
End of financial year	<u>17,447</u>
<u>Accumulated depreciation</u>	
Beginning of financial year	12,740
Depreciation charge (Note 5)	2,166
End of financial year	<u>14,906</u>
<b>Net book value</b>	
<b>At 31 March 2021</b>	<b><u>2,541</u></b>
<b>2020</b>	
<u>Cost</u>	
Beginning of financial year	12,873
Addition	4,574
End of financial year	<u>17,447</u>
<u>Accumulated depreciation</u>	
Beginning of financial year	9,061
Depreciation charge (Note 5)	3,679
End of financial year	<u>12,740</u>
<b>Net book value</b>	
<b>At 31 March 2020</b>	<b><u>4,707</u></b>

#### 12. Other payables

	<b>2021</b> \$	<b>2020</b> \$
Other payables to non-related parties	-	851
Accrued operating expenses	<u>43,603</u>	129,771
	<b><u>43,603</u></b>	<b><u>130,622</u></b>

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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#### 13. Amount due to Member

	2021	2020
	\$	\$
Amount due to Member	<u>116,249</u>	<u>198,017</u>

Amount due to Member is unsecured, interest free and repayable on demand.

#### 14. Grants received in advance

	2021	2020
	\$	\$
Beginning of financial year	1,183,004	745,373
Grants received during the year	1,365,111	1,312,944
Transfer to deferred capital grant (Note 15)	-	(4,574)
Transfer to profit or loss	<u>(704,732)</u>	<u>(870,739)</u>
End of financial year	<u>1,843,383</u>	<u>1,183,004</u>

#### 15. Deferred capital grant

	2021	2020
	\$	\$
Beginning of financial year	4,707	3,812
Transfer from grants received in advance (Note 14)	-	4,574
Transfer to statement of comprehensive income	<u>(2,166)</u>	<u>(3,679)</u>
End of financial year	<u>2,541</u>	<u>4,707</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.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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#### 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

	2021	2020
	\$	\$
<u>Income:</u>		
Publication income and webinar income received/receivable from Member	<u>23,192</u>	-
<u>Expenditure:</u>		
Secondment fees and other fees paid/payable to Member	84,731	166,035
Rental expense paid/payable to Member	44,041	38,289
Operating expenses paid on behalf by Member	<u>693,085</u>	<u>540,609</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.

The Company incurred professional fees amounting to \$37,500 (2020: \$150,000) and wages and salaries amounting to \$191,977 (2020: \$186,446) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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17. Financial risk management (continued)

(a) Market risk (continued)

(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 major classes of financial assets of the Company are bank deposits, trade receivables and other receivables. The Company manages this risk by dealing only with customers of appropriate credit history. 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.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2021	2020
	\$	\$
<u>By types of customers</u>		
Non-related parties	2,595	-

(ii) Impairment of financial assets

The Company has applied the simplified approach to measure the lifetime expected credit losses for trade receivables.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers and adjusts for forward-looking macroeconomic data.



## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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#### 17. Financial risk management (continued)

##### (b) Credit risk (continued)

##### (ii) Impairment of financial assets (continued)

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.

The Company's credit risk exposure in relation to trade receivables from customers as at 31 March 2021 is set out in the provision matrix as follows:

	<u>Current</u>	<u>Less than 3 months</u>	<u>Between 3 months and 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
	\$	\$	\$	\$	\$
<b>31 March 2021</b>					
Expected loss rates	0%	0%	0%	100%	
Trade receivables	2,532	63	-	-	2,595
Loss allowances	-	-	-	-	-

As at 31 March 2021, there are no material financial assets that are subject to credit losses where the expected credit loss model has been applied.

##### (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.

	<u>Less than 1 year</u>
	\$
<b>At 31 March 2021</b>	
Other payables	43,603
Amount due to Member	<u>116,249</u>
<b>At 31 March 2020</b>	
Other payables	130,622
Amount due to Member	<u>198,017</u>

## ASIAN BUSINESS LAW INSTITUTE

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

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#### 17. Financial risk management (continued)

(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 financial assets and financial liabilities at amortised cost are as follows:

	2021	2020
	\$	\$
Financial assets, at amortised cost	3,025,471	2,449,193
Financial liabilities, at amortised cost	159,852	328,639

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

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

#### 19. Impact of COVID-19

Following the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of measures to curb the COVID-19 outbreak have been and continue to be implemented and is expected to affect the operations of the Company.

Whilst the future impact of the COVID-19 outbreak is uncertain, the Company anticipates that its operations is not significantly impacted as the relevant government agency has continued to disburse grants to the Company to support its operations and has also assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

The Company is continuing to closely monitor the ongoing development of the COVID-19 outbreak and its related impact on the Company's operations.

**ASIAN BUSINESS LAW INSTITUTE**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 March 2021*

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**20. 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 13 August 2021.