

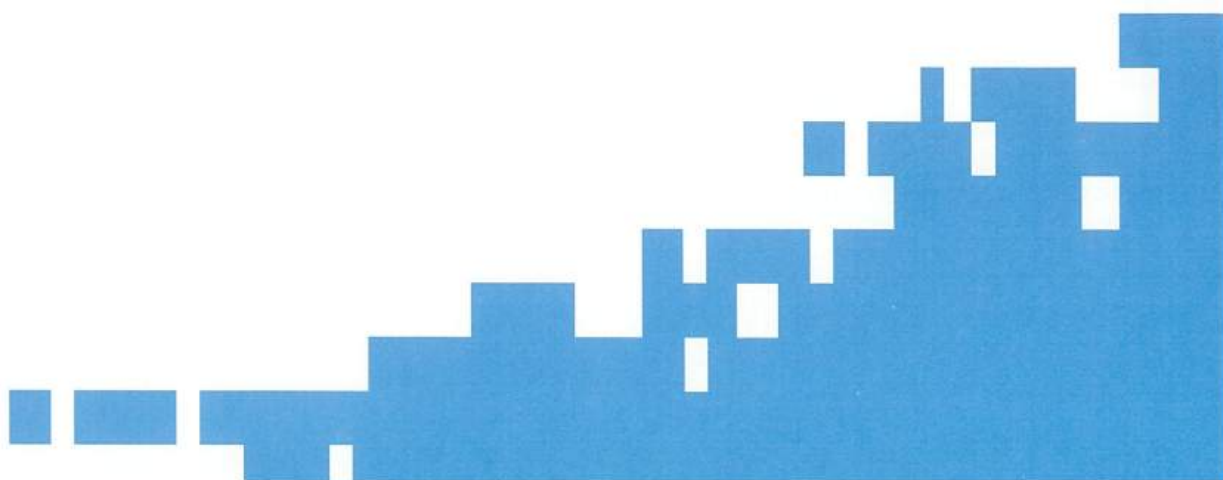
ASIAN BUSINESS LAW INSTITUTE

(Registration No: 201500327G)

(Registered under the Charities Act 1994)

Statement by Directors and Financial Statements

Year Ended 31 March 2026



Statement by Directors and Financial Statements

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ASIAN BUSINESS LAW INSTITUTE

Statement by Directors

The directors of Asian Business Law Institute (the "company") are pleased to present the financial statements of the company for the reporting year ended 31 March 2026.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2026 and the financial performance, changes in equity and cash flows of the company for the reporting 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.

The board of directors approved and authorised these financial statements for issue.

2. Directors

The directors of the company in office at the date of this statement are:

Yeong Zee Kin
Paul Neo Tien Song
Fisher Mark Christopher (Appointed on 30 July 2025)

3. Directors' interests in shares and debentures

The company is limited by guarantee. There are no applicable disclosures.

4. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the directors



Yeong Zee Kin
Director

14 SEP 2026



Paul Neo Tien Song
Director

**Independent Auditor's Report to the Member of
ASIAN BUSINESS LAW INSTITUTE****Report on the audit of the financial statements****Opinion**

We have audited the accompanying financial statements of Asian Business Law Institute (the "company"), which comprise the statement of financial position as at 31 March 2026, the statement of financial activities, statement of changes in fund and statement of cash flows for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), and the Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the company as at 31 March 2026 and of the financial activities, changes in fund and cash flows of the company for the year ended on that date.

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 are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the statement by directors 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**

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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 and the financial reporting standards, 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:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditor's Report to the Member of
ASIAN BUSINESS LAW INSTITUTE**

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Auditor's responsibilities for the audit of the financial statements

- d) 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.
- e) 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 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 by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act and the Charities Act and Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Lock Chee Wee.



RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

14 September 2026

ASIAN BUSINESS LAW INSTITUTE

Statement of Financial Activities Year Ended 31 March 2026

	<u>Notes</u>	<u>2026</u> \$	<u>2025</u> \$
Income	4	34,250	40,291
Operating grants utilised	12	79,943	602,186
Deferred capital grant amortised	13	407	913
Other income	5	92,491	182,487
Secondment fee expense		(41,490)	(315,424)
Employee benefits expense	7	(3,458)	(286,609)
Professional and consultancy fees		(10,212)	(9,644)
Other expenses	6	(38,764)	(74,421)
Net surplus before tax		113,167	139,779
Income tax expense	8	—	—
Net surplus transferred to accumulated fund		113,167	139,779

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

Statement of Financial Position
As at 31 March 2026

	<u>Notes</u>	<u>2026</u> \$	<u>2025</u> \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	9	—	3,254
Total non-current assets		<u>—</u>	<u>3,254</u>
<u>Current assets</u>			
Trade and other receivables	10	9,513	13,888
Other non-financial assets		394	2,241
Cash and cash equivalents	11	2,077,200	2,158,854
Total current assets		<u>2,087,107</u>	<u>2,174,983</u>
Total assets		<u>2,087,107</u>	<u>2,178,237</u>
FUND AND LIABILITIES			
<u>Fund</u>			
Accumulated fund		1,466,520	1,353,353
Total fund		<u>1,466,520</u>	<u>1,353,353</u>
<u>Non-current liabilities</u>			
Deferred capital grant	13	—	3,254
Total non-current liabilities		<u>—</u>	<u>3,254</u>
<u>Current liabilities</u>			
Other payables	14	10,312	134,259
Grants received in advance	12	610,275	687,371
Total current liabilities		<u>620,587</u>	<u>821,630</u>
Total liabilities		<u>620,587</u>	<u>824,884</u>
Total fund and liabilities		<u>2,087,107</u>	<u>2,178,237</u>

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

ASIAN BUSINESS LAW INSTITUTE

Statement of Changes in Fund Year Ended 31 March 2026

	Accumulated fund \$
Current year:	
Opening balance at 1 April 2025	1,353,353
Changes in fund:	
Net surplus for the year	113,167
Closing balance at 31 March 2026	<u>1,466,520</u>
 Previous year:	
Opening balance at 1 April 2024	1,213,574
Changes in fund:	
Net surplus for the year	139,779
Closing balance at 31 March 2025	<u>1,353,353</u>

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

ASIAN BUSINESS LAW INSTITUTE

Statement of Cash Flows Year Ended 31 March 2026

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Net surplus before tax	113,167	139,779
Adjustments for:		
Interest income	(24,158)	(60,011)
Depreciation of plant and equipment	407	913
Amortisation of deferred capital grant	(407)	(913)
Operating grants utilised	(79,943)	(602,186)
Operating cash flows before changes in working capital	9,066	(522,418)
Trade and other receivables	1,993	(1,993)
Other non-financial assets	1,847	(267)
Contract liabilities	–	(110)
Other payables	(41,124)	(35,446)
Net cash used in operating activities	(28,218)	(560,234)
<u>Cash flows from investing activities</u>		
Additions to plant and equipment	–	(2,668)
Fixed deposits with financial institution	986,134	(23,526)
Disposals of plant and equipment	2,847	–
Interest received	35,038	73,462
Net movements in amounts due from a member	(89,359)	–
Net movements in amounts due from related party	(1,962)	–
Net cash provided by investing activities	932,698	47,268
<u>Cash flows from financing activities</u>		
Net movements in amounts due to a member	–	4,076
Net movements in amounts due to related party	–	774
Net cash provided by financing activities	–	4,850
Net increase / (decrease) in cash and cash equivalents	904,480	(508,116)
Cash and cash equivalents, statement of cash flows, beginning balance	95,185	603,301
Cash and cash equivalents, statement of cash flows, ending balance (Note 11A)	999,665	95,185

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

**Notes to the Financial Statements
31 March 2026**

1. General information

The company is incorporated in Singapore as a public company limited by guarantee, with Singapore Academy of Law ("SAL") as the sole subscriber to the constitution of the company. In accordance with the constitution of the company, SAL has undertaken 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 2026 and 31 March 2025, SAL was the sole member of the company (the "Member"). The financial statements are presented in Singapore dollars.

The company is registered as a charity under the Charities Act 1994.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

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

The address of its registered office is 1 Coleman Street, #08-06, The Adelphi, Singapore 179803. The company's principal place of business is in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRS") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Committee under ACRA ("ASC"). They comply with the provisions of the Companies Act 1967.

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

Revenue and income recognition

General – Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Revenue and income recognition

Publication income – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods.

Webinars – Revenue is recognised at a point in time when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that are not material transactions revenue is recognised as the services are provided.

Interest income – Interest income is recognised using the effective interest method.

Other income – Other income including donations, gifts and grants that provide core funding or are of general nature are recognised at an amount that reflects the consideration to which the company expects to be entitled. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the fund has unconditional entitlement. Revenue from donations are accounted for when received, except for committed donations that are recorded when commitments are signed.

Employee benefits

Employee benefits are all forms of consideration given in exchange for service rendered by employees. Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

As a charity, the company is exempt from income tax on income and gains within section 13(1)(zm) of the Income Tax Act 1947 to the extent that these are applied to its charitable objects.

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term (three months or less), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

2. Material accounting policy information and other explanatory information (cont'd)

2A. Material accounting policy information (cont'd)

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions and if applicable at the fair value measurement dates. At the end of each reporting year, non-functional monetary items are translated using rates ruling at the end of the reporting year; non-monetary items are translated using the exchange rate at the date of the transactions; and non-monetary items that are measured at fair value are translated using the exchange rates at the date when the fair value was measured. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Other specific material accounting policy information and other explanatory information

These are included in the relevant Notes to the financial statements.

2. Material accounting policy information and other explanatory information (cont'd)

2B. Judgements and sources of estimation uncertainties

There were no judgements made in the process of applying the accounting policies that have the most material effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

3A. Member of a group

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
Singapore Academy of Law	Parent and Ultimate parent	Singapore

Singapore Academy of Law (the "Academy") has control over the company through powers granted to the president of the Academy to appoint directors of the company.

Related companies in these financial statements include the members of the above group of companies.

3B. Related party transactions and balances

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the information disclosed elsewhere in the notes to the financial statements, other related party transactions include the following:

Material related party transactions:

	<u>2026</u>	<u>Member</u>	<u>2025</u>
	\$		\$
<u>Member:</u>			
Publication, webinar, secondment income received / receivable	52,947		125,498
Secondment and other fees paid / payable	(43,960)		(323,068)
Rental expense paid / payable	—		(12,831)
Operating expenses paid / payable on behalf of the company	<u>(46,674)</u>		<u>(296,643)</u>

3. Related party relationships and transactions (cont'd)

3C. Key management compensation

	<u>2026</u>	<u>2025</u>
	\$	\$
Salaries and other short-term employee benefits	<u>31,653</u>	<u>205,100</u>

The above amounts are included under employee benefits expense. Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.

The above amounts do not include compensation if any of certain key management personnel and directors of the company who received compensation from related corporations in their capacity as directors and or executives of those related corporations.

3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements. The movements in other receivables from and other payables to related parties are as follows:

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Other receivables / (other payables):</u>		
At beginning of the year	(80,861)	(76,785)
Amounts paid out and settlement of liabilities of the company	89,359	-
Amounts paid in and settlement of liabilities on behalf of the company	-	(4,076)
At end of the year	<u>8,498</u>	<u>(80,861)</u>

Presented in the statement of financial position as follows:

Other receivables (Note 10)	8,498	-
Other payables (Note 14)	-	(80,861)
At end of the year	<u>8,498</u>	<u>(80,861)</u>

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Other payables:</u>		
At beginning of the year	(2,000)	(1,226)
Amounts paid out and settlement of liabilities of the company	1,962	-
Amounts paid in and settlement of liabilities on behalf of the company	-	(774)
At end of the year (Note 14)	<u>(38)</u>	<u>(2,000)</u>

ASIAN BUSINESS LAW INSTITUTE

4. Income

	<u>2026</u>	<u>2025</u>
	\$	\$
Income from webinars	12,563	15,903
Publication income	<u>21,687</u>	<u>24,388</u>
	<u>34,250</u>	<u>40,291</u>

Publication income and income from webinars are recognised based on point in time. The customers are commercial consumers and individuals.

5. Other income

	<u>2026</u>	<u>2025</u>
	\$	\$
Secondment income	13,574	83,000
Interest income from bank deposits	24,158	60,011
Research income	44,759	29,476
Other	<u>10,000</u>	<u>10,000</u>
	<u>92,491</u>	<u>182,487</u>

6. Other expenses

	<u>2026</u>	<u>2025</u>
	\$	\$
Subscriptions	13,084	12,330
Travelling and accommodation	6,272	4,323
Staff benefits and training	5,329	26,726
Rental expenses	4,881	12,831
Gifts	2,354	—
Hardware and software maintenance	2,114	2,114
Domain and hosting	2,017	9,336
Miscellaneous	<u>2,713</u>	<u>6,761</u>
	<u>38,764</u>	<u>74,421</u>

Miscellaneous other expenses largely comprise marketing and insurance expenses.

7. Employee benefits expense

	<u>2026</u>	<u>2025</u>
	\$	\$
Short-term employee benefits expense	3,430	285,811
Contributions to defined contribution plan	<u>28</u>	<u>798</u>
Total employee benefits expense	<u>3,458</u>	<u>286,609</u>

8. Income tax

With effect from 27 October 2016, the company is registered as a charity with the Commissioner of Charities under the Charities Act 1994 and is exempted from income tax under the provisions of the Income Tax Act 1947.

9. Plant and equipment

	Computer equipment \$
<u>Cost:</u>	
At 1 April 2024	4,868
Additions	2,668
Disposals	(1,958)
At 31 March 2025	5,578
Disposals	(5,578)
At 31 March 2026	–
<u>Accumulated depreciation:</u>	
At 1 April 2024	3,369
Depreciation for the year	913
Disposals	(1,958)
At 31 March 2025	2,324
Depreciation for the year	407
Disposals	(2,731)
At 31 March 2026	–
<u>Carrying value:</u>	
At 1 April 2024	1,499
At 31 March 2025	3,254
At 31 March 2026	–

The annual rate for depreciation is as follows:

Computer equipment – 33.33%

10. Trade and other receivables

	2026 \$	2025 \$
<u>Trade receivables:</u>		
Outside parties	–	1,993
Trade receivables – subtotal	–	1,993
<u>Other receivables:</u>		
Member (Note 3)	8,498	–
Interest receivables	1,015	11,895
Other receivables – subtotal	9,513	11,895
Total trade and other receivables	9,513	13,888

Other receivables are normally with no fixed terms and therefore there is no fixed maturity date.

11. Cash and cash equivalents

	2026 \$	2025 \$
Cash at bank and on hand	249,665	95,185
Fixed deposits with financial institution	1,827,535	2,063,669
	2,077,200	2,158,854

11. Cash and cash equivalents (cont'd)

The fixed deposits placed with a financial institution have an average maturity of 5 months (2025: 5 months) from the financial year end and have effective interest rates of 0.50% (2025: 1.75% to 2.00%) per annum at the end of the financial year.

11A. Cash and cash equivalents in the statement of cash flows

	<u>2026</u> \$	<u>2025</u> \$
Amount as shown above	2,077,200	2,158,854
Fixed deposits with financial institution	<u>(1,077,535)</u>	<u>(2,063,669)</u>
At end of the year	<u>999,665</u>	<u>95,185</u>

12. Grants received in advance

	<u>2026</u> \$	<u>2025</u> \$
At beginning of the year	687,371	1,292,225
Transfer from / (to) deferred capital grant (Note 13)	2,847	(2,668)
Recognised during the year	<u>(79,943)</u>	<u>(602,186)</u>
At end of the year	<u>610,275</u>	<u>687,371</u>

13. Deferred capital grant

	<u>2026</u> \$	<u>2025</u> \$
At beginning of the year	3,254	1,499
Transfer (to) / from grants received in advance (Note 12)	(2,847)	2,668
Recognised during the year	<u>(407)</u>	<u>(913)</u>
At end of the year	<u>—</u>	<u>3,254</u>

Deferred capital grants are transferred to the statement of financial activities over the periods necessary to match the depreciation of the assets previously purchased with the grants.

14. Other payables

	<u>2026</u> \$	<u>2025</u> \$
Outside parties and accrued liabilities	10,274	51,398
Member (Note 3)	—	80,861
Related party (Note 3)	38	2,000
Total other payables	<u>10,312</u>	<u>134,259</u>

15. Financial instruments: information on financial risks and other explanatory information

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

15A. Categories of financial assets and financial liabilities

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires the certain classification of financial assets and financial liabilities. At the end of the reporting year, the reporting entity had the following classes:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are in this class.
- Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	<u>2,086,713</u>	<u>2,172,742</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>10,312</u>	<u>134,259</u>

Further quantitative disclosures are included throughout these financial statements.

15. Financial instruments: information on financial risks and other explanatory information (cont'd)

15B. Financial risk management

The purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain procedures for the management of financial risks. These are not documented in formal written documents. However, the following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices. There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

15C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

15D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses ("ECL") allowance on financial assets measured at amortised cost. On initial recognition, a loss allowance is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 11 discloses the cash balances. There was no identified impairment loss.

15E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity within twelve months after at the end of the reporting year. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

15. Financial instruments: information on financial risks and other explanatory information (cont'd)

15F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the material financial instruments by type of interest rate:

	<u>2026</u>	<u>2025</u>
	\$	\$
<u>Financial assets with interest:</u>		
Floating rates	249,665	95,185
Fixed rates	1,827,535	2,063,669
Total at end of the year	<u>2,077,200</u>	<u>2,158,854</u>

Sensitivity analysis: The effect on pre-tax profit is not material.

16. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued certain new or revised financial reporting standards. None had material impact on the reporting entity.

17. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 109 and 107	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
Various	Annual Improvements – Volume 11	1 January 2026
FRS 118	Presentation and Disclosures in Financial Statements	1 January 2027

FRS 118 Presentation and Disclosure in Financial Statements. It replaces FRS 1. The new version includes (a) revised presentation of specified categories and defined subtotals in the statement of profit or loss; (b) new disclosures on management-defined performance measures in the notes to the financial statements; and (c) improved disclosures of aggregation and disaggregation of balances. It also requires the disclosure, for the comparative period immediately preceding the period in which this standard is first applied, a reconciliation for each line item in the statement of profit or loss between (a) the restated amounts and (b) the amounts previously presented applying the replaced version.