Sundaram Asset Management Singapore Pte. Ltd.
Registration Number: 201111900M

Annual Report
Year ended 31 March 2018

The symbol "$", wherever appearing, denotes Singapore Dollars unless otherwise specified

Contents

Directors Report

Directors' statement

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 March 2018.

In our opinion:

(a) the financial statements set out are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2018 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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 has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Sunil Subramaniam

Vijayendiran Ranganatha Rao

Anish Mathew

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), particulars of interests of director who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Ordinary shares		
Sunil Subramaniam		
Sundaram Finance Ltd		
- interests held	1,500	2,000
Sundaram Finance Holdings Ltd		
- interests held	–	2,000

Name of director and corporation in which interests are held	Holdings at beginning of the year	Holdings at end of the year
Ordinary shares		
Vijayendiran Ranganatha Rao		
Sundaram Finance Ltd		
- interests held	1,400	1,400
Sundaram Finance Holdings Ltd		
- interests held	–	1,400
Options to subscribe to ordinary shares		
Sunil Subramaniam		
Sundaram Finance Ltd		
- INR 10 per share	500	750

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the year or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares in the Company; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Anish Mathew	**Vijayendiran Ranganatha Rao**
Chief Executive Officer	Director

3 May 2018

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Independent auditors' report

Member of the Company
Sundaram Asset Management Singapore Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sundaram Asset Management Singapore Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ('the Act') 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 2018 and of the financial performance, changes in equity 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 'Auditors' 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 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 contained in the annual report. Other information defines as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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.

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 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.

Auditors' 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 auditors' 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 controls.
- Obtain an understanding of internal controls 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 controls.
- 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 auditors' 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 auditors' 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.

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 controls 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.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
3 May 2018

Statement of financial position

As at 31 March 2018

	Note	2018 $	2017 $
Non-current assets			
Plant and equipment	4	35,211	39,132
Contract assets	5	1,362,797	831,596
		1,398,008	870,728
Current assets			
Trade and other receivables	6	401,628	272,890
Cash and cash equivalents	7	1,262,896	713,970
		1,664,524	986,860
Total assets		3,062,532	1,857,588
Equity			
Share capital	8	5,855,001	5,855,001
Accumulated losses		(3,666,686)	(4,607,604)
Total equity		2,188,315	1,247,397
Current liabilities			
Other payables	9	874,217	610,191
Total liabilities		874,217	610,191
Total equity and liabilities		3,062,532	1,857,588

Statement of comprehensive income

Year ended 31 March 2018

	Note	2018 $	2017 $
Revenue	10	3,375,434	1,639,312
Other income		65,774	21,585
		3,441,208	1,660,897
Staff costs		(888,830)	(684,932)
Depreciation expense	4	(15,165)	(3,727)
Operating lease expense		(66,042)	(78,758)
Investor introduction expenses		(657,453)	(303,646)
Other distribution expenses		(505,448)	(204,321)
Other operating expenses		(367,352)	(312,534)
Profit before tax		940,918	72,979
Tax expense	12	–	–
Profit for the year	11	940,918	72,979
Other comprehensive income for the year		–	–
Total comprehensive income for the year		940,918	72,979

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

Statement of changes in equity

Year ended 31 March 2018

	Note	Share Capital $	Accumulated Losses $	Total $
At 1 April 2016		5,630,001	(4,680,583)	949,418
Profit for the year		–	72,979	72,979
Total comprehensive income for the year		–	72,979	72,979
Transactions with owners, recognised directly in equity				
Issue of ordinary shares	8	225,000	–	225,000
Total transactions with owners		225,000	–	225,000
At 31 March 2017		5,855,001	(4,607,604)	1,247,397
At 1 April 2017		5,855,001	(4,607,604)	1,247,397
Profit for the year		–	940,918	940,918
Total comprehensive income for the year		–	940,918	940,918
Transactions with owners, recognised directly in equity				
Issue of ordinary shares	8	–	–	–
Total transactions with owners		–	–	–
At 31 March 2018		5,855,001	(3,666,686)	2,188,315

Statement of cash flows

Year ended 31 March 2018

	Note	2018 $	2017 $
Cash flows from operating activities			
Profit for the year		940,918	72,979
Adjustments for:			
Depreciation	4	15,165	3,727
Amortisation	5	731,060	303,115
Impairment	5	–	20,991
Unrealised foreign exchange loss/(gain)		39,054	(5,980)
Interest income		(1,577)	(425)
		1,724,620	394,407
Changes in working capital:			
Trade and other receivables	6	(128,738)	(136,949)
Contract assets	5	(1,262,261)	(681,849)
Other payables	9	267,340	278,404
Net cash generated from/(used in) operating activities		600,961	(145,987)
Cash flows from investing activities			
Interest received		1,577	425
Purchase of plant and equipment	4	(11,244)	(38,498)
Net cash used in investing activities		(9,667)	(38,073)
Cash flow from financing activity			
Proceeds from issue of ordinary shares	8	–	225,000
Net cash generated from financing activity		–	225,000
Net increase in cash and cash equivalents		591,294	40,940
Cash and cash equivalents at beginning of year		713,970	670,881
Effect of exchange rate fluctuations on cash held		(42,368)	2,149
Cash and cash equivalents at end of year	7	1,262,896	713,970

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 May 2018.

1 Domicile and activities

Sundaram Asset Management Singapore Pte. Ltd. (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is 50 Armenian Street, #02-02 Wilmer Place, Singapore 179938.

The immediate and ultimate holding companies are Sundaram Asset Management Company Limited and Sundaram Finance Limited respectively, both of which incorporated in the Republic of India.

The principal activities of the Company are those relating to the provision of fund management and related services, for which the Company holds a Capital Markets Services Licence granted by the Monetary Authority of Singapore ("MAS").

The Company continues to manage its funds, Sundaram India Midcap Fund and Sundaram Global Brand Fund. Both funds are USD denominated, daily dealing funds domiciled in Singapore.

The investment objective of Sundaram India Midcap Fund and Sundaram Global Brand Fund are to invest in India listed midcap equity stocks and invest in the equities of 30 global brands across the world respectively.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3 Significant accounting policies

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the loans and receivables category.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits with bank.

Non-derivative financial liabilities

All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.3 Impairment

Non-derivative financial asset

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.4 *Employee benefits*

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

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 reporting date.

3.5 *Provisions*

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.6 *Plant and equipment*

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative periods are as follows:

Furniture and fittings	3 years
Office equipment	3 years
Computer equipment	3 years

Depreciation methods and useful lives are reviewed, at the end of each reporting period and adjusted if appropriate.

3.7 Revenue recognition

The Company recognises revenue when it renders service to its customer. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The following is a description of principal activities from which the Company generates its revenue.

a) Investment management fees

Investment management fees are based on the fee rates that are applied to the value of assets under the respective funds managed by the company. No adjustment is made to transaction prices for time value of money as the contracts do not include significant financing consideration payable to the fund.

The company recognises fee revenue on a daily basis as such services are rendered. The invoices raised for the services are rendered on a monthly basis and the fund is required to pay for the services within 30 days of receipt of such invoice.

b) Investment advisory fee

Investment advisory fees relate to fees paid in return for the Company's service in providing research advisory services to its parent company. Revenue is recognised over the period of the contract as the services are performed. No adjustment is made to transaction prices for time value of money as the contracts do not include significant financing consideration.

The company recognises fee revenue over time as such services are rendered. The invoices raised for the services are rendered on a quarterly basis and the parent company is required to pay for the services within 30 days of receipt of invoice.

c) Disaggregation of revenue

The company does not provide bundled services or goods. All services and goods are invoiced separately.

3.8 Investor introduction expenses

Investor introduction fees directly attributable to obtaining a contract is capitalised under contract assets when incurred, if the Company expects to be able to recover these costs. The contract assets is then amortised across a period that is consistent with the pattern of revenue recognised.

The Company recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract assets exceed the remaining amount of consideration that the Company expects to receive in exchange for the services to which the contract assets relates less costs that relate directly to providing such services that have not been recognised as expenses.

3.9 Other distribution expenses

Other distribution expenses are recognised on an accrual basis when services are received.

3.10 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

3.11 Finance income and finance costs

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivables is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects either accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.13 Key management personnel

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The board of directors and senior management are considered as key management personnel of the Company.

3.14 New accounting standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2017 and earlier application is permitted; however, apart from FRS 115, which was adopted by the Company in the year ended 31 March 2017, the Company has not early applied other new or amended standards in preparing these statements.

For these new standards and amendments to standards that are expected to have an effect on the financial statements of the Company in future financial periods, the Company is assessing the transition options and the potential impact on the financial statements and implementation approach. The Company does not plan to adopt these standards early.

Applicable to 2019 financial statements

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Applicable to 2020 financial statements

FRS 116 Leases

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases – incentives and INT FRS 27 Evaluating the Substance of Transactions involving the Legal Form of a Lease.

FRS 116 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if FRS 115 is also applied.

4 Plant and equipment

	Furniture and fittings $	Office equipment $	Computer equipment $	Total $
Cost				
At 1 April 2016	57,220	7,387	11,994	76,601
Additions	36,800	–	1,698	38,498
At 31 March 2017	94,020	7,387	13,692	115,099
Additions	9,400	1,844	–	11,244
At 31 March 2018	103,420	9,231	13,692	126,343
Accumulated depreciation				
At 1 April 2016	57,220	6,084	8,936	72,240
Depreciation for the year	1,022	566	2,139	3,727
At 31 March 2017	58,242	6,650	11,075	75,967
Depreciation for the year	12,711	822	1,632	15,165
At 31 March 2018	70,953	7,472	12,707	91,132
Carrying amounts				
At 1 April 2016	–	1,303	3,058	4,361
At 31 March 2017	35,778	737	2,617	39,132
At 31 March 2018	32,467	1,759	985	35,211

5 Contract assets

	$
At 1 April 2016	473,853
Additions	681,849
Amortisation	(303,115)
Impairment	(20,991)
At 31 March 2017	831,596
Additions	1,262,261
Amortisation	(731,060)
Impairment	–
At 31 March 2018	1,362,797

6 Trade and other receivables

	2018 $	2017 $
Trade receivables	344,871	214,177
Security deposits	17,121	36,514
Other receivables	14,755	4,221
Loans and receivables	376,747	254,912
Prepayments	24,881	17,978
	401,628	272,890

Trade and other receivables are neither past due nor impaired.

7 Cash and cash equivalents

	2018 $	2017 $
Cash at bank	1,006,926	459,577
Fixed deposits with bank	255,970	254,393
	1,262,896	713,970

The effective interest rate relating to fixed deposits at the reporting date is 0.62% (2017: 0.62%) per annum. Interest rates re-price or mature, whichever is earlier, at intervals within one year.

8 Share capital

	2018 Number of shares	2017 Number of shares
Issued and fully paid shares with no par value:		
At 1 April	5,855,001	5,630,001
Issued for cash during the year	–	225,000
At 31 March	5,855,001	5,855,001

Issue of ordinary shares

During the year, the Company issued Nil (2017: 225,000) ordinary shares for a cash consideration of $ Nil (2017: $225,000).

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital management

The Company defines "capital" to be share capital and accumulated profits. The immediate holding company ensures that the Company has adequate capital in order to meet its obligations and to sustain the operations of the Company. The Company is subject to externally imposed minimum base capital requirements under Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licenses) Regulations.

The Company has complied with the base capital and financial resources requirements.

9 Other payables

	2018 $	2017 $
Accrued expenses	861,902	586,570
Others	12,315	23,621
	874,217	610,191

10 Revenue

	2017 $	2016 $
Investment management fees and service fees	3,055,434	1,319,312
Investment advisory fees from immediate holding company	320,000	320,000
	3,375,434	1,639,312

There were no contract liabilities at the beginning or at the end of the reporting period. Consequently, no revenue was recognised during the year in respect of contract liability balances at the beginning of the year.

There was no revenue recognised during the year from performance obligations satisfied, or partially satisfied, in the previous reporting periods.

11 Profit / (loss) for the year

The following items have been included in arriving at profit/ (loss) for the year:

	2018 $	2017 $
Contribution to a defined contribution plans included in staff costs	52,771	55,125
Depreciation expense	15,165	3,727
Legal and professional fees	169,574	123,057
Subscription and licence fees	73,257	52,608
Travelling expenses	35,149	33,885
Foreign exchange loss/(gain), net	22,578	(1,189)

12 Tax expense

	2018 $	2017 $
Current tax expense		
Current year	–	–
Reconciliation of effective tax rate		
Profit before tax	940,918	72,979
Income tax using the Singapore tax rate of 17% (2017: 17%)	159,956	12,406
Non-deductible expenses	2,578	634
Recognition of tax effect of previously unrecognised tax losses	(162,534)	(13,040)
	–	–

Unutilised tax losses amounting to $3,480,437 (2017: $4,436,520) are available for set off against taxable profits of future periods subject to compliance with the provisions of Section 37 read with Section 14U of the Singapore Income Tax Act, Chapter 134 and agreement with the Inland Revenue Authority of Singapore.

Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

13 Commitments

At the end of the reporting period, the Company has commitments for future minimum lease payments under non-cancellable operating leases in respect of premises as follows:

	2018 $	2017 $
Within 1 year	60,539	66,042
After 1 year but within 5 years	–	60,539
	60,539	126,581

14 Related parties

Transactions with key management personnel

The compensation details of key management personnel are as follows:

	2018 $	2017 $
Director's fees	–	26,223
Remuneration and short-term employee benefits	616,087	632,365
Contribution to a defined contribution plan	33,434	28,610

Other related party transactions

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions took place with related companies during the financial year at terms agreed between the parties:

	2018 $	2017 $
Transaction with immediate holding company		
Investment advisory expenses	20,000	20,000
Investment advisory fees income	(320,000)	(320,000)

15 Financial risk management

Overview of risk management

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks.

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Exposure to credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Concentration of credit risk exist when a number of counterparties are engaged in similar activities, or operate in the same geographical areas or industry sectors and have similar economic characteristics so that their ability to meet contractual obligations is similarly affected by changes in economic, political or other conditions.

As at the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Cash is placed with a bank which has reputable credit standing.

The ageing of loans and receivables at the reporting date was:

	2018		2017	
	Gross $	Impairment losses $	Gross $	Impairment losses $
Not past due	376,747	–	254,912	–

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages the liquidity structure of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due. The carrying amounts of the financial liabilities as at 31 March 2018 and 31 March 2017 approximates their contractual cash flows and are repayable on demand or due within 6 months from the end of the reporting period.

Currency risk

As the functional currency of the Company is the Singapore dollar, the Company is exposed to currency risk on asset and liabilities that are denominated in currencies other than Singapore dollars.

The Company's exposure to foreign currency is mainly in United States dollars (US$) as follows:

	2018 $	2017 $
Trade and other receivables	344,871	214,177
Cash and cash equivalents	922,735	263,011
Other payables	(528,725)	(349,923)
	738,881	127,265

Sensitivity analysis

A 5% strengthening of the Singapore dollar against the US dollar to which the Company has exposure at the reporting date would decrease profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Profit or loss	2018 $	2017 $
United States dollars	(36,944)	(6,363)

A 5% worsening of the Singapore dollar against the US dollar would have the equal but opposite effect on the basis that all other variables remain constant.

Interest rate risk

The Company is not exposed to interest rate risk as the Company does not have any variable interest rate instruments or borrowings.

Estimation of fair values

Financial assets and liabilities are not measured at fair value as the carrying amounts of financial assets and financial liabilities are assumed to approximate their fair values because of the short period to maturity.