A. K. CAPITAL (SINGAPORE) PTE. LTD.

(Company Registration No. 201320478E)

Financial Statements For The Year Ended March 31, 2020

A. K. Capital (Singapore) Pte. Ltd.

(Incorporated in the Republic of Singapore)

Directors

Atul Kumar Mittal
Aditi Mittal

Secretaries

Lakhpati Priti	(Appointed on 31.07.2019)
Gan Lee Teng	(Resigned on 31.07.2019)
Chan Wan Mei	(Resigned on 31.07.2019)

Registered Office

14 Robinson Road
#08-01A Far East Finance Building
Singapore 048545

Auditors

Natarajan & Swaminathan
Chartered Accountants of Singapore
1 North Bridge Road
#19-04/05 High Street Centre
Singapore 179094

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A. K. Capital (Singapore) Pte. Ltd.

Directors' Statement *For the financial year ended March 31, 2020*

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2020.

1 Directors

The directors in office at the date of this report are:-

Atul Kumar Mittal
Aditi Mittal

2 Arrangements to enable directors to acquire shares and debentures

Neither during nor at the end of 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 through the acquisition of shares in, or debentures of the Company or any other body corporate.

3 Directors' interest in shares and debentures

The directors holding office at the end of the financial year had no interests in shares, debentures, warrants or share options of the Company as recorded in the Register of Directors' Shareholding kept by the Company under Section 164 of the Singapore Companies Act, except as follows:

Name of director	At beginning of year	At end of year
Company		
Number of ordinary shares		
Atul Kumar Mittal		
- Deemed interest	865,000	865,000

4 Share options

During the financial year, there were:

(i) no options granted by the Company to any person to take up unissued shares of 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.

5 Auditors

The auditors, Natarajan & Swaminathan, have expressed their willingness to accept re-appointment.

6 Directors' opinion

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at March 31, 2020 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Financial Reporting Standards in Singapore; 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

Atul Kumar Mittal

Aditi Mittal

Date: June 19, 2020

NATARAJAN & SWAMINATHAN
CHARTERED ACCOUNTANTS OF SINGAPORE

1 NORTH BRIDGE ROAD, #19-04/05,
HIGH STREET CENTRE,
SINGAPORE 179094
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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF A. K. CAPITAL (SINGAPORE) PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of A. K. CAPITAL (SINGAPORE) PTE. LTD. (the "Company"), which comprise the statement of financial position of the Company as at March 31, 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 Singapore Companies Act, Chapter 50 (the Act) 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 March 31, 2020 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 (SSA). 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 (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 Directors' Statement set out on pages 1 to 2.

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 identified above 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 AUDITORS' REPORT
TO THE SHAREHOLDERS OF A. K. CAPITAL (SINGAPORE) PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
(Incorporated in the Republic of Singapore)

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 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.

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 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 SSA 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 SSA, 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF A. K. CAPITAL (SINGAPORE) PTE. LTD.
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
(Incorporated in the Republic of Singapore)

Auditors' Responsibilities for the Audit of the Financial Statements *(Cont'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 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 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.

Natarajan & Swaminathan

Natarajan & Swaminathan
Public Accountants and Chartered Accountants Singapore

Date: June 19, 2020

A. K. Capital (Singapore) Pte. Ltd.

Statement of Financial Position *As at March 31, 2020*

	Note	2020	2019
		S$	S$
Assets			
Non-current assets			
Plant and equipment	3	268,543	298,871
Total non-current assets		268,543	298,871
Current assets			
Trade receivables	4	-	263,600
Other receivables	5	27,583	27,583
Cash and bank balances	6	773,679	162,220
Total current assets		801,262	453,403
Total assets		1,069,805	752,274
Equity and liabilities			
Equity			
Share capital	7	904,884	904,884
Accumulated losses		(64,528)	(181,243)
Total equity		840,356	723,641
Current liabilities			
Other payables and accruals	8	229,449	28,633
Total current liabilities		229,449	28,633
Total liabilities		229,449	28,633
Total equity and liabilities		1,069,805	752,274

The annexed accounting policies and explanatory notes form an integral part of the financial statements

A. K. Capital (Singapore) Pte. Ltd.

Statement of Comprehensive Income *For the financial year ended March 31, 2020*

	Note	2020	2019
		S$	S$
Revenue	9	784,741	283,450
Other income	10	2,224	3,067
Salaries and employee benefits	11	(606,385)	(297,178)
Depreciation of plant and equipment	3	(30,328)	(30,500)
Other operating expenses		(33,537)	(40,081)
Profit/(Loss) before income tax	12	116,715	(81,242)
Income tax expense	13	-	1,777
Profit/(Loss) after income tax		116,715	(79,465)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		116,715	(79,465)

The annexed accounting policies and explanatory notes form an integral part of the financial statements

A. K. Capital (Singapore) Pte. Ltd.

Statement of Changes in Equity *For the financial year ended March 31, 2020*

	Note	Share capital	Accumulated losses	Total
		S$	S$	S$
Balance as at 01.04.2018		704,884	(101,778)	603,106
Issue of shares	7	200,000	-	200,000
Total comprehensive loss for the year		-	(79,465)	(79,465)
Balance as at 31.03.2019		904,884	(181,243)	723,641
Total comprehensive income for the year		-	116,715	116,715
Balance as at 31.03.2020		904,884	(64,528)	840,356

The annexed accounting policies and explanatory notes form an integral part of the financial statements

A. K. Capital (Singapore) Pte. Ltd.

Statement of Cash Flows *For the financial year ended March 31, 2020*

	2020	2019
	S$	S$
Cash flow from operating activities		
Profit/(Loss) before income tax	116,715	(81,242)
Adjustment for:		
Depreciation of plant and equipment	30,328	30,500
Interest income	(6)	(24)
Operating profit/(loss) before working capital changes	147,037	(50,766)
Trade receivables	263,600	(141,600)
Other receivables	-	(9,683)
Other payables and accruals	(2,696)	3,263
Cash generated from/(used in) operations	407,941	(198,786)
Interest received	6	24
Net cash from/(used in) operating activities	407,947	(198,762)
Cash flow from financing activities		
Proceeds from issue of shares	-	200,000
Other payables - related party and director	203,512	6,528
Net cash from financing activities	203,512	206,528
Net increase in cash and cash equivalents	611,459	7,766
Cash and cash equivalents brought forward	162,220	154,454
Cash and cash equivalents carried forward	773,679	162,220
Cash and cash equivalents comprise:-		
Cash at bank	772,434	160,975
Cash in hand	1,245	1,245
	773,679	162,220

The annexed accounting policies and explanatory notes form an integral part of the financial statements

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

1 Corporate information

The Company (Registration No. 201320478E) is a private limited Company incorporated and domiciled in Singapore.

The administrative office of the Company is located at Level 39, Marina Bay Financial Centre Tower 2, 10 Marina Boulevard, Singapore 018983 and the registered office is at 14 Robinson Road, #08-01A Far East Finance Building, Singapore 048545.

The principal business of the Company is to provide financial advisory services.

There have been no significant changes in the nature of these activities during the financial year.

Holding company

The Company is a wholly owned subsidiary of 'A. K. Capital Services Limited', a company incorporated in the Republic of India, which is the ultimate holding company.

2 Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") as required by the Singapore Companies Act, Chapter 50. The financial statements are expressed in Singapore Dollar (S$) and are prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of 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 accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances (refer Note 2(b) to the financial statements).

The Company adopted the new or revised FRS that is mandatory for application on that date. This includes the following FRS, which are relevant to the Company as a single entity:

FRS 28	(Amendments)	:	Long-term Interests in Associates and Joint Ventures
FRS 109	(Amendments)	:	Prepayment Features with Negative Compensation
FRS 116		:	Leases

Improvements to FRSs

Annual Improvements to FRS (March 2018)

FRS 12	(Amendments)	:	Income Taxes
FRS 23	(Amendments)	:	Borrowing Costs
FRS 103	(Amendments)	:	Business Combinations
FRS 111	(Amendments)	:	Joint Arrangements

The adoption of these does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements.

2 Significant accounting policies *(Cont'd)*

b) Critical judgements in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management is of opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Depreciation

The Company depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight-line method. The estimated useful life reflects the directors' estimate of the years that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect the directors' estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life.

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate Expected Credit Losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

c) Foreign currency transactions

(i) Functional currency

The functional currency of the Company is Singapore Dollar, being the currency of the primary economic environment in which it operates.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign currency monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing at the statement of financial position date.

2 Significant accounting policies *(Cont'd)*

c) Foreign currency transactions *(Cont'd)*

(ii) Transactions and balances (Cont'd)

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation of foreign currency denominated assets and liabilities are recognised in the profit or loss.

Currency translation differences on non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items are measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation and impairment loss are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit or loss.

e) Depreciation of plant and equipment

Depreciation is calculated on a straight-line method to write off the cost of the plant and equipment over their estimated useful lives at the following annual rates:

Furniture & fittings	-	33.33%
Office equipment	-	33.33%
Motor vehicle	-	10%

Fully depreciated assets still in use are retained in the financial statements.

f) Impairment of non-financial assets

At each statement of financial position date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2 Significant accounting policies *(Cont'd)*

f) Impairment of non-financial assets *(Cont'd)*

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss is recognised immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g) Financial instruments

Financial instruments comprise financial assets and financial liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss (FVPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined per the Company's revenue recognition policy.

Financial assets that are classified and measured at amortised cost or fair value through OCI, are financial assets that give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2 Significant accounting policies *(Cont'd)*

g) Financial instruments *(Cont'd)*

(i) Financial assets *(Cont'd)*

Initial recognition and measurement (Cont'd)

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost
- Financial assets at fair value through OCI with recycling of cumulative gains and losses ("FVOCI")
- Financial assets elected at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Company's relevant financial assets category are financial assets at amortised cost.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. For short-term receivables the nominal cost approximates the fair value.

The Company's financial assets at amortised cost includes trade receivables, other receivables and cash and bank balances.

Derecognition

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has entered into a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

2 Significant accounting policies *(Cont'd)*

g) Financial instruments *(Cont'd)*

(i) Financial assets *(Cont'd)*

Financial assets at amortised cost *(Cont'd)*

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company makes judgmental assessment for financial asset in default when contractual payments are past due. The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For short term payables the nominal costs approximate the fair value.

The Company's financial liabilities include other payables and accruals.

2 Significant accounting policies *(Cont'd)*

g) Financial instruments *(Cont'd)*

(ii) Financial liabilities *(Cont'd)*

Subsequent measurement

The measurement of financial liabilities depends on their classification.

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires when an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

h) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and cash in hand.

i) Related party

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Company or its holding Company.

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others, classified as related company);

(ii) One entity is an associate or joint venture of the other entity (for an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of the third entity and the other entity is an associate of the third party;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

2 Significant accounting policies *(Cont'd)*

i) Related party *(Cont'd)*

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or its holding company.

j) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers, if any.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Company's main business activity is to provide financial advisory services as it holds financial advisor's license issued by MAS.

Revenue is recognised in accordance with the terms of the contracts with the customers. Revenue is recognised after the completion of services as contracts are short term in nature. The amount of revenue recognised is based on the transaction price, which comprises the contractual price and adjusted for expected returns. The Company does not provide any volume discount nor has any other variable consideration.

k) Other income

Other income is recognised on the following basis:

Interest income

Interest income is recognised on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable.

l) Employee benefits

Retirement benefit costs

As required by law, the Company makes contributions to the Central Provident Fund (CPF), a defined contribution plan regulated and managed by the Government of Singapore. CPF contributions are recognised as expense in the same year to which the contribution relates.

Employee entitlements to annual leave are recognised when they accrue to the employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by the employees up to the statement of financial position date.

A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

2 Significant accounting policies *(Cont'd)*

l) Employee benefits *(Cont'd)*

Key management personnel

Directors and certain managers that have the authority and responsibility for planning, directing and controlling the activities of the Company are considered key management personnel.

m) Operating lease

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases.

Rentals and other lease payments under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

n) Income tax

Income tax expense represents the sum of tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using statutory tax rate at the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset, realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt, within equity.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on net basis.

3 Plant and equipment

2020	Furniture & fittings	Office equipment	Motor vehicle	Total
	S$	S$	S$	S$
Cost				
At April 1, 2019	37,881	1,073	392,958	431,912
Additions	-	-	-	-
At March 31, 2020	37,881	1,073	392,958	431,912
Depreciation				
At April 1, 2019	37,881	1,073	94,087	133,041
Charge for the year	-	-	30,328	30,328
At March 31, 2020	37,881	1,073	124,415	163,369
Net book value				
At March 31, 2020	-	-	268,543	268,543

2019	Furniture & fittings	Office equipment	Motor vehicle	Total
	S$	S$	S$	S$
Cost				
At April 1, 2018	37,881	1,073	392,958	431,912
Additions	-	-	-	-
At March 31, 2019	37,881	1,073	392,958	431,912
Depreciation				
At April 1, 2018	37,881	901	63,759	102,541
Charge for the year	-	172	30,328	30,500
At March 31, 2019	37,881	1,073	94,087	133,041
Net book value				
At March 31, 2019	-	-	298,871	298,871

4 Trade receivables

	2020	2019
	S$	S$
Outside party	-	263,600

The credit term for the trade receivables was on immediate basis. No interest was charged on the trade receivables due from outside party.

The table below is an analysis of trade receivables aging as at March 31:

	2020	2019
	S$	S$
Past due 1 to 30 days	-	263,600

The Company had not made any allowance on all those receivables as the directors were of the view that all the receivables were recoverable.

5 Other receivables

	2020	2019
	S$	S$
Deposits	18,500	18,500
Withholding tax receivable	9,083	9,083
	27,583	27,583

6 Cash and bank balances

	2020	2019
	S$	S$
Cash at banks	772,434	160,975
Cash in hand	1,245	1,245
	773,679	162,220

The cash and bank balances that are not denominated in Singapore Dollar are as follows:

	2020	2019
	S$	S$
United States Dollar	13,006	9,315

7 Share capital

	2020 No. of shares issued	2020 S$	2019 No. of shares issued	2019 S$
Ordinary shares issued and fully paid				
Balance at beginning of year	865,000	904,884	665,000	704,884
Shares issued	-	-	200,000	200,000
Balance at end of year	865,000	904,884	865,000	904,884

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and have no par value.

8 Other payables and accruals

	2020	2019
	S$	S$
Sundry payables	582	1,232
Related party	213,144	9,822
Director	7,296	7,106
Withholding tax payable	3,634	4,104
Accrued expenses	4,793	6,369
	229,449	28,633

The amount due to related party and director are unsecured, interest free and repayable on demand.

9 Revenue

	2020	2019
	S$	S$
Financial advisory fees	784,741	283,450
Timing of revenue recognition:		
Over time	784,741	283,450

There is no variable consideration recognised during the financial year.

10 Other income

	2020	2019
	S$	S$
Interest income	6	24
Foreign exchange gain	641	3,043
Miscellaneous income	1,577	-
	2,224	3,067

11 Salaries and employee benefits

Salaries and employee benefits for the years ended March 31;

	2020	2019
	S$	S$
Salary	378,000	78,000
Directors' remuneration	114,180	109,042
CPF on directors' remuneration	5,047	-
Skill development levy	363	396
Staff accommodation and related costs (*)	108,795	109,740
	606,385	297,178

(*) Including operating lease rental of S$108,000 (2019:S$108,000).

Compensation of directors and key management personnel

The remuneration of directors and other members of key management personnel during the year were as follows:

	2020	2019
	S$	S$
Salaries and other employee benefits	606,385	297,178

12 Profit/(Loss) before income tax

In addition to the charges and credits disclosed elsewhere in the notes to the income statement, this item includes the following charges/(credits):-

12 Profit/(Loss) before income tax *(Cont'd)*

	2020	2019
	S$	S$
Foreign exchange gain	(641)	(3,043)
Operating lease - office rent	6,657	5,770

13 Income tax expense

	2020	2019
	S$	S$
Current year	-	-
Prior year over provision	-	1,777
	-	1,777

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% to profit/(loss) before income tax as a result of the following differences:

	2020	2019
	S$	S$
Profit/(Loss) before income tax	116,715	(81,242)
Tax expense/(benefit) at tax rate of 17%	19,842	(13,811)
Non-taxable income	(255)	-
Non-deductible items	6,389	5,721
Deferred tax arising in the year not recognised	(25,976)	8,090
Prior year over provision	-	(1,777)
Income tax expense for the financial year	-	(1,777)

No provision for income tax has been made in 2019 in view of the losses incurred.

As at end of the financial year, the Company has unutilised tax losses of approximately S$60,000 (2019:S$213,000) available for set off against the future taxable profits, subject to compliance with Section 37 of the Income Tax Act, Cap.134 and agreement by the Comptroller of Income Tax.

The following deferred tax liabilities/(assets) are not recognised in the financial statements as future taxable profits to utilise the benefits cannot be reasonably ascertained.

	2020	2019
	S$	S$
Unutilised tax losses	(10,000)	(36,000)

14 Related party transactions

Some of the Company's transactions and arrangement are with related party and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest free and repayable on demand unless otherwise stated.

During the financial year, the Company entered into the following transactions:

	2020	2019
	S$	S$
Salaries and other employee benefits	486,795	188,076

15 Commitments

(a) Operating lease commitments - as lessee

The Company leases premises for staff accommodation under non-cancellable operating lease agreements. These leases had a tenure of 12 months.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities are as follows:

	2020	2019
	S$	S$
Rental expense:		
Within 1 year	31,500	27,000

16 Financial instruments, financial and capital risk management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the statement of financial position date:

	2020	2019
	S$	S$
Financial assets		
Amortised cost:		
- Trade receivables	-	263,600
- Other receivables	18,500	18,500
- Cash and bank balances	773,679	162,220
Total financial assets	792,179	444,320
Financial liabilities		
Amortised cost:		
- Other payables and accruals	225,815	24,529
Total financial liabilities	225,815	24,529

16 Financial instruments, financial and capital risk management *(Cont'd)*

(b) Fair value measurements

Fair value hierarchy

The assets and liabilities measured at fair value are classified by the following level of fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(ii) 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 2); and

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There are no financial assets measured at fair value.

Assets and liabilities not measured at fair value

(i) *Trade receivables*

The carrying amounts of these receivables approximate their fair values as they are subject to normal trade credit terms.

(ii) *Other receivables, cash and bank balances and other payables*

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

(c) Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include liquidity risk, credit risk and market risk (including interest rate risk, foreign currency risk and price risk).

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company has no significant liquidity risk as it maintains a level of bank balances that is sufficient for working capital purpose.

16 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

		Cash flows		
	Carrying amount	Contractual cash flow	Less than 1 year	Within 2 to 5 years
	S$	S$	S$	S$
2020				
Financial assets				
Other receivables	18,500	18,500	18,500	-
Cash and bank balances	773,679	773,679	773,679	-
Total undiscounted financial assets	792,179	792,179	792,179	-
Financial liabilities				
Other payables and accruals	(225,815)	(225,815)	(225,815)	-
Total undiscounted financial liabilities	(225,815)	(225,815)	(225,815)	-
Total net undiscounted financial assets	566,364	566,364	566,364	-
2019				
Financial assets				
Trade receivables	263,600	263,600	263,600	-
Other receivables	18,500	18,500	18,500	-
Cash and bank balances	162,220	162,220	162,220	-
Total undiscounted financial assets	444,320	444,320	444,320	-
Financial liabilities				
Other payables and accruals	(24,529)	(24,529)	(24,529)	-
Total undiscounted financial liabilities	(24,529)	(24,529)	(24,529)	-
Total net undiscounted financial assets	419,791	419,791	419,791	-

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade receivables. For other financial assets (including cash at bank), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

16 Financial instruments, financial and capital risk management *(Cont'd)*

(c) Financial risk management *(Cont'd)*

Credit risk (Cont'd)

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days past the credit due dates, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

Cash at banks are placed with a credit worthy financial institutions.

Expected credit loss ("ECL") assessment

- Other receivables

  The other receivables comprises only its deposit. The Company assessed the nature of receivables, the financial position of the counterparties and the economic conditions and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company does not consider allowance for ECL as necessary.

As at statement of financial position date, the Company has no significant concentration of credit risk in relation to any single external party..

The carrying amount of the Company's trade and other receivables, cash at banks and cash represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Interest rate risk

The Company has no significant exposure to market risk for changes in interest rates because it has no interest bearing borrowings from any external sources.

Foreign currency risk

Foreign currency received are kept in a foreign currency account and converted to Singapore Dollars on a need to basis so as to minimise the foreign currency exposure.

As at financial year end, the carrying amount of monetary assets and liabilities denominated in currencies other than in Singapore Dollar are disclosed in the respective notes to the financial statements.

Foreign currency sensitivity analysis

An increase in 10% in the United States Dollar rate, will decrease the loss before tax by S$1,000 (2019:S$1,000) and a similar decrease in the Singapore Dollar rate will correspondingly increase the loss before tax by a similar amount.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Price risk

The Company has no significant exposure to price risk.

16 Financial instruments, financial and capital risk management *(Cont'd)*

(d) Capital risk management

The management considers the capital of the Company to mainly consist of shareholders equity.

The management manages the capital to ensure the Company will be able to continue as a going concern while maximising the return to shareholders through optimisation of the capital.

The management's overall strategy remains unchanged from 2019.

17 New accounting standards and FRS interpretations

At the date of authorisation of these financial statements, the following FRS and INT FRS that are relevant to the Company were issued and not effective:

				Effective from annual periods beginning on or after
FRS 1/FRS 8	(Amendments)	:	Definition of Material	January 1, 2020
FRS 103	(Amendments)	:	Definition of a Business	January 1, 2020
FRS 109/FRS 39/FRS 107	(Amendments)	:	Interest Rate Benchmark Reform	January 1, 2020

The management anticipates that the adoption of the above FRS and INT FRS does not result in any significant changes to the Company's accounting policies or have any significant impact on the financial statements of the Company.

18 Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on June 19, 2020.

A. K. Capital (Singapore) Pte. Ltd.

The Accompanying Supplementary Detailed Income Statement

Has Been Prepared For Management Purposes Only

And Does Not Form Part Of The Audited Financial Statements

A. K. Capital (Singapore) Pte. Ltd.

Detailed Income Statement *For the financial year ended March 31, 2020*

	2020	2019
	S$	S$
Revenue		
Financial advisory fees	784,741	283,450
Other income		
Interest income from banks	6	24
Foreign exchange gain	641	3,043
Miscellaneous income	1,577	-
	2,224	3,067
Salaries and employee benefits		
Salary and bonus	(378,000)	(78,000)
Directors' remuneration	(114,180)	(109,042)
CPF on directors' remuneration	(5,047)	-
Skill development levy	(363)	(396)
Staff accommodation and related costs	(108,795)	(109,740)
	(606,385)	(297,178)
Depreciation of plant and equipment	(30,328)	(30,500)
Other operating expenses		
Bank charges	(115)	(216)
Book-keeping charges	(1,305)	(1,242)
General expenses	(284)	-
Professional fees	(7,165)	(6,975)
Postage and courier	(48)	-
Operating lease - office rent	(6,657)	(5,770)
Road tax	(3,322)	(3,322)
Subscription fee	(321)	(321)
Stamp duty	-	(432)
Telephone expenses	(6,589)	(6,042)
Travelling expenses	-	(12,097)
Utilities	(3,796)	(3,664)
Vehicle insurance	(3,935)	-
	(33,537)	(40,081)
Profit/(Loss) before income tax	116,715	(81,242)
Income tax expense:		
- Current year	-	-
- Prior year over provision	-	1,777
Profit/(Loss) after income tax	116,715	(79,465)
Other comprehensive income	-	-
Total comprehensive income/(loss) for the year	116,715	(79,465)