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

*(Company Registration No. 201320478E)*

Financial Statements For The Year Ended March 31, 2016

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

*(Incorporated in the Republic of Singapore)*

## Directors

Atul Kumar Mittal
Aditi Mittal
Lee Wee Hsiung

## Secretaries

| | |
|---|---|
| Tay Chee Wah | (Resigned on 30.11.2015) |
| Gan Lee Teng | (Appointed on 30.11.2015) |
| Chan Wan Mei | |

## Registered Office

80 Robinson Road
#02-00
Singapore 068898

## 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, 2016*

The directors present this statement to the members together with the audited financial statements of the Company for the financial year ended March 31, 2016.

## 1 Directors

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

Atul Kumar Mittal
Aditi Mittal
Lee Wee Hsiung

## 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 | 399,108 | 399,108 |

## 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, 2016 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 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.

**On behalf of the board of directors**

*Atul Kumar Mittal*

*Aditi Mittal*

Date: May 5, 2016

**NATARAJAN & SWAMINATHAN**
**CHARTERED ACCOUNTANTS OF SINGAPORE**

1 NORTH BRIDGE ROAD, #19-04/05,
HIGH STREET CENTRE,
SINGAPORE 179094
TEL : 63372472/3/5, 63373432
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**INDEPENDENT AUDITORS' REPORT**
**TO THE MEMBERS OF A. K. CAPITAL (SINGAPORE) PTE. LTD.**
*(Incorporated in the Republic of Singapore)*

**Report on the Financial Statements**

We have audited the accompanying financial statements of **A. K. CAPITAL (SINGAPORE) PTE. LTD.**, which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

*Management's Responsibility 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 Singapore Companies Act, Cap. 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**INDEPENDENT AUDITORS' REPORT**
**TO THE MEMBERS OF A. K. CAPITAL (SINGAPORE) PTE. LTD.**
*(Incorporated in the Republic of Singapore)*

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

*Opinion*

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at March 31, 2016 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

**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: May 5, 2016

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

**Statement of Financial Position** *As at March 31, 2016*

| | Note | 2016 | 2015 |
|---|---|---|---|
| | | S$ | S$ |
| **Assets** | | | |
| **Non-current assets** | | | |
| Plant and equipment | 3 | 11,671 | 23,410 |
| **Total non-current assets** | | 11,671 | 23,410 |
| **Current assets** | | | |
| Trade receivable | 4 | 215,767 | 200,000 |
| Other receivables | 5 | 28,600 | 19,900 |
| Cash and bank balances | 6 | 226,124 | 221,663 |
| **Total current assets** | | 470,491 | 441,563 |
| **Total assets** | | **482,162** | **464,973** |
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Share capital | 7 | 399,108 | 399,108 |
| Accumulated profits | | 63,963 | 51,288 |
| **Total equity** | | 463,071 | 450,396 |
| **Current liabilities** | | | |
| Other payables and accruals | 8 | 17,820 | 13,727 |
| Income tax payable | | 1,271 | 850 |
| **Total current liabilities** | | 19,091 | 14,577 |
| **Total liabilities** | | 19,091 | 14,577 |
| **Total equity and liabilities** | | **482,162** | **464,973** |

***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, 2016*

| | Note | 2016 | 2015 |
|---|---|---|---|
| | | S$ | S$ |
| Revenue | 9 | 350,000 | 300,000 |
| Other income | 10 | 77 | - |
| Salaries and employee benefits | 11 | (240,560) | (193,512) |
| Depreciation of plant and equipment | 3 | (12,812) | (12,266) |
| Other operating expenses | | (83,920) | (70,222) |
| **Profit before income tax** | 12 | 12,785 | 24,000 |
| Income tax expense | 13 | (110) | (790) |
| **Profit after income tax** | | 12,675 | 23,210 |
| Other comprehensive income | | - | - |
| **Total comprehensive income for the year** | | **12,675** | **23,210** |

***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, 2016*

| | Share capital | Accumulated profits | Total |
|---|---|---|---|
| | S$ | S$ | S$ |
| **Balance as at 01.04.2015** | **399,108** | **28,078** | **427,186** |
| Total comprehensive income for the year | - | 23,210 | 23,210 |
| **Balance as at 31.03.2015** | **399,108** | **51,288** | **450,396** |
| Total comprehensive income for the year | - | 12,675 | 12,675 |
| **Balance as at 31.03.2016** | **399,108** | **63,963** | **463,071** |

***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, 2016*

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| **Cash flow from operating activities** | | |
| Profit before income tax | 12,785 | 24,000 |
| Adjustment for: | | |
| Depreciation of plant and equipment | 12,812 | 12,266 |
| Operating profit before working capital changes | 25,597 | 36,266 |
| Trade receivable | (15,767) | (100,000) |
| Other receivables | (8,700) | - |
| Other payables and accruals | 193 | (1,919) |
| Cash generated from/(used in) operations | 1,323 | (65,653) |
| Income tax paid | 311 | (1,140) |
| Net cash from/(used in) operating activities | 1,634 | (66,793) |
| **Cash flow from investing activities** | | |
| Purchase of plant and equipment | (1,073) | (8,721) |
| Net cash used in investing activities | (1,073) | (8,721) |
| **Cash flow from financing activities** | | |
| Other payables - related party and director | 3,900 | 5,000 |
| Net cash from financing activities | 3,900 | 5,000 |
| **Net increase/(decrease) in cash and cash equivalents** | 4,461 | (70,514) |
| Cash and cash equivalents brought forward | 221,663 | 292,177 |
| **Cash and cash equivalents carried forward** | **226,124** | **221,663** |
| Cash and cash equivalents comprise:- | | |
| Cash at bank | 226,078 | 214,308 |
| Cash in hand | 46 | 7,355 |
| | **226,124** | **221,663** |

***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 80 Robinson Road, #02-00, Singapore 068898.

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 Singapore Financial Reporting Standards ("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 19 | (Amendments) | : Defined Benefit Plans - Employee Contributions |

***Improvements to FRSs***

| | | |
|---|---|---|
| FRS 16 | (Amendments) | : Property, Plant and Equipment |
| FRS 24 | (Amendments) | : Related Party Disclosures |
| FRS 38 | (Amendments) | : Intangible Assets |
| FRS 40 | (Amendments) | : Investment Property |
| FRS 113 | (Amendments) | : Fair Value Measurement |

## 2 Significant accounting policies *(cont'd)*

a) **Basis of preparation** *(cont'd)*

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.

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.

Allowance for trade and other receivables

The provision policy for doubtful debts of the Company is based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

c) **Foreign currency**

*(i) Functional currency*

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

*(ii) Transactions and balances*

Transactions in currencies other than in Singapore Dollar are recorded at the rates of exchange prevailing on the date of transaction. At each statement of financial position date, recorded monetary balances that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

All exchange differences are included in the profit or loss for the year.

## 2 Significant accounting policies *(cont'd)*

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% |

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.

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.

## 2 Significant accounting policies *(cont'd)*

g) **Financial instruments**

Financial instruments comprise financial assets and liabilities and they are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assets

Financial assets are classified as one of the financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate.

Recognition

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets at the time of initial recognition, and where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

As of year end the Company has the following classes of financial assets:-

- *Loans and receivables*

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as "trade and other receivables" and "cash and bank balances" on the statement of financial position. They are presented as current assets, except for those maturing 12 months after the financial position date, which are presented as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process. For short term receivables the nominal cost would approximate the fair value.

## 2 Significant accounting policies *(cont'd)*

g) **Financial instruments** *(cont'd)*

Impairment

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if any, if in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities include trade payables on normal trade terms, other payables and interest-bearing loans and borrowings.

## 2 Significant accounting policies *(cont'd)*

g) **Financial instruments** *(cont'd)*

Financial liabilities *(cont'd)*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis. For short term payables the cost approximates the fair value.

Interest-bearing bank loans and overdraft are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for finance costs.

Financial liabilities are derecognised when the obligation under the liabilities are discharged, cancelled or expired.

h) **Cash and cash equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank 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 of a parent of the 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).

(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.

## 2 Significant accounting policies *(cont'd)*

i) **Related party** *(cont'd)*

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

(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).

j) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of goods and services tax, discounts and sales returns.

The Company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company's activities are met as follows:-

*Advisory fees*

Advisory fees is recognised upon the completion of the service rendered.

k) **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.

*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.

l) **Operating lease**

Leases of plant and equipment where significant portion of the risks and rewards of ownership are retained by the lessor 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.

m) **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.

## 2 Significant accounting policies *(cont'd)*

m) **Income tax** *(cont'd)*

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

| 2016 | Furniture & fittings | Office equipment | Total |
|---|---|---|---|
| | S$ | S$ | S$ |
| **Cost** | | | |
| At April 1, 2015 | 37,881 | - | 37,881 |
| Additions | - | 1,073 | 1,073 |
| At March 31, 2016 | 37,881 | 1,073 | 38,954 |
| **Depreciation** | | | |
| At April 1, 2015 | 14,471 | - | 14,471 |
| Charge for the year | 12,627 | 185 | 12,812 |
| At March 31, 2016 | 27,098 | 185 | 27,283 |
| **Net book value** | | | |
| **At March 31, 2016** | **10,783** | **888** | **11,671** |

## 3 Plant and equipment *(cont'd)*

| 2015 | Furniture & fittings |
|---|---|
| | S$ |
| **Cost** | |
| At April 1, 2014 | 29,160 |
| Additions | 8,721 |
| At March 31, 2015 | 37,881 |
| **Depreciation** | |
| At April 1, 2014 | 2,205 |
| Charge for the year | 12,266 |
| At March 31, 2015 | 14,471 |
| **Net book value** | |
| **At March 31, 2015** | **23,410** |

## 4 Trade receivable

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Outside party | **215,767** | **200,000** |

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

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Past due 1 to 30 days | **215,767** | **200,000** |

The Company has not made any allowance on all these receivables as the directors are of the view that all the receivables are recoverable.

## 5 Other receivables

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Deposits | **28,600** | **19,900** |

## 6 Cash and bank balances

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Cash at bank | 226,078 | 214,308 |
| Cash in hand | 46 | 7,355 |
| | **226,124** | **221,663** |

## 7 Share capital

| | 2016 No. of shares issued | 2016 S$ | 2015 No. of shares issued | 2015 S$ |
|---|---|---|---|---|
| **Ordinary shares issued and fully paid** | | | | |
| Balance at beginning and end of year | **399,108** | **399,108** | **399,108** | **399,108** |

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

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Sundry payables | 3,640 | 4,727 |
| Related party | 8,900 | 5,000 |
| Accrued expenses | 5,280 | 4,000 |
| | **17,820** | **13,727** |

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

The other payables and accruals that are not denominated in Singapore Dollar are as follows:-

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Indian Rupee | 2,406 | 4,004 |

## 9 Revenue

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Advisory fees | **350,000** | **300,000** |

## 10 Other income

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Other payables written back | **77** | - |

## 11 Salaries and employee benefits

Salaries and employee benefits for the years ended March 31;

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Salary | 120,000 | 60,000 |
| Skill development levy | 264 | 132 |
| Staff accommodation and related costs | 119,485 | 131,529 |
| Staff welfare expense | 811 | 1,851 |
| | **240,560** | **193,512** |

***Compensation of key management personnel***

The remuneration of key management personnel during the year were as follows:

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Salaries and other employee benefits | **240,560** | **193,512** |

## 12 Profit before income tax

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

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| Operating lease - office rent | **4,584** | **4,518** |

## 13 Income tax expense

| | 2016 | 2015 |
|---|---|---|
| | *S$* | *S$* |
| Current year | 130 | 850 |
| Prior year over provision | (20) | (60) |
| | **110** | **790** |

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

## 13 Income tax expense *(cont'd)*

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| **Profit before income tax** | **12,785** | **24,000** |
| Tax expense at tax rate of 17% | 2,173 | 4,080 |
| Statutory stepped income exemption | (660) | (2,036) |
| Corporate tax rebate | (110) | (356) |
| Deferred tax arising in the year not recognised | (1,294) | (859) |
| Prior year over provision | (20) | (60) |
| Other items | 21 | 21 |
| **Income tax expense for the financial year** | **110** | **790** |

Deferred tax liabilities of S$1,400 (2015:S$2,200) arising from differences in depreciation is not recognised as the amount is not significant.

## 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:

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| ***Related party*** | | |
| Salaries and other employee benefits | 180,560 | 193,512 |

## 15 Operating lease commitments

At the statement of financial position date, the rental lease commitments in respect of operating leases were as follows:

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| ***Rental expense:*** | | |
| Within 1 year | 104,400 | 90,533 |
| Within 2 to 5 years | 95,700 | - |
| | **200,100** | **90,533** |

## 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:

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| **Financial assets** | | |
| Loans and receivables | **470,491** | **441,563** |

Loans and receivables under financial assets comprise trade and other receivables and cash and bank balances.

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| **Financial liabilities** | | |
| Amortised costs | **17,820** | **13,727** |

Amortised costs under financial liabilities comprise other payables and accruals.

### (b) Fair value measurements

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 (is 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).

The financial assets and liabilities of the Company comprise trade and other receivables, cash and bank balances, other payables and accruals. The carrying values of the financial assets and liabilities as shown in the statement of financial position approximate their fair value amounts at the statement of financial position date. The carrying values of these assets and liabilities are the nominal or cost values.

### (c) Financial risk

The management reviews and agrees policies for managing risk with a view to minimise potential adverse effects of financial performance of the Company. Each of these risks are summarised below:

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

### (c) Financial risk *(cont'd)*

***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.

***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.

The table below analyses the maturity profile of the Company's financial liabilities based on contractual undiscounted cash flows.

| | | Cash flows | | |
|---|---|---|---|---|
| | Carrying amount | Contractual cash flow | Less than 1 year | Within 2 to 5 years |
| | S$ | S$ | S$ | S$ |
| 2016 | | | | |
| **Non-derivative financial liabilities** | | | | |
| Other payables and accruals | **17,820** | **(17,820)** | **(17,820)** | **-** |
| 2015 | | | | |
| **Non-derivative financial liabilities** | | | | |
| Other payables and accruals | **13,727** | **(13,727)** | **(13,727)** | **-** |

***Credit risk***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss of the Company. The Company has adopted a policy of only dealing with creditworthy counterparties.

As at statement of financial position date, the Company has a significant concentration of credit risk in relation to an external party whose balances comprise 100% (2015:100%) of the total trade receivable balance. The management does not foresee any risk of default by the parties as they are creditworthy customers and are in good financial standing.

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

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

***Foreign currency risk***

The Company has no exposure to foreign currency risk.

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

(c) **Financial risk** *(cont'd)*

***Price risk***

The Company has no significant exposure to price risk.

(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 2015.

## 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 (Amendments) | : Disclosure Initiative | January 1, 2016 |
| FRS 7 (Amendments) | : Disclosure Initiative | January 1, 2017 |
| FRS 12 (Amendments) | : Recognition of Deferred Tax Assets for Unrealised Losses | January 1, 2017 |
| FRS 16/ FRS 38 (Amendments) | : Clarification of Acceptable Methods of Depreciation and Amortisation | January 1, 2016 |
| FRS 109 | : Financial Instruments | January 1, 2018 |
| FRS 115 (Amendments) | : Revenue from Contracts with Customers | January 1, 2018 |
| ***Improvements to FRSs*** | | |
| FRS 19 (Amendments) | : Employee Benefits | January 1, 2016 |
| FRS 107 (Amendments) | : Financial Instruments: Disclosures | January 1, 2016 |

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 May 5, 2016.

*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, 2016*

| | 2016 | 2015 |
|---|---|---|
| | S$ | S$ |
| **Revenue** | | |
| Advisory fees | 350,000 | 300,000 |
| **Other income** | | |
| Other payable written back | 77 | - |
| **Salaries and employee benefits** | | |
| Salary | (120,000) | (60,000) |
| Skill development levy | (264) | (132) |
| Staff accommodation and related costs | (119,485) | (131,529) |
| Staff welfare expense | (811) | (1,851) |
| | (240,560) | (193,512) |
| **Depreciation of plant and equipment** | (12,812) | (12,266) |
| **Other operating expenses** | | |
| Audit fees | (3,000) | (3,387) |
| Bank charges | (262) | (261) |
| Book-keeping charges | (1,200) | (1,200) |
| Business promotion expenses | (914) | (207) |
| Conference expenses | (7,891) | (883) |
| Entertainment expense | (7,422) | (14,688) |
| Office expenses | (2,598) | (380) |
| Postage and courier charges | - | (254) |
| Printing and stationery | (115) | (273) |
| Professional fees | (719) | (3,299) |
| Operating lease - office rent | (4,584) | (4,518) |
| Repair and maintenance expense | (800) | (2,124) |
| Tax fees | (1,000) | (1,000) |
| Telephone expenses | (6,059) | (6,825) |
| Transport | (3,369) | (4,910) |
| Travelling expenses | (42,546) | (24,255) |
| Utilities | (1,441) | (1,758) |
| | (83,920) | (70,222) |
| **Profit before income tax** | 12,785 | 24,000 |
| **Income tax expense** | | |
| - Current year | (130) | (850) |
| - Prior year over provision | 20 | 60 |
| **Profit after income tax** | 12,675 | 23,210 |
| Other comprehensive income | - | - |
| **Total comprehensive income for the year** | **12,675** | **23,210** |

***Not Part Of Audited Financial Statements***