Deloitte.

IIFL CAPITAL PTE. LTD.
(Registration No. 200808802R)

Directors' Statement and Financial Statements
Year ended 31 March 2019

General information

Directors

Amit Garg
Arun Vijay Chopra (Appointed on 12 March 2019)

Company Secretary

Tan Wee Sin	(Appointed on 25 January 2019)
Lai Kuan Loong Victor	(Appointed on 25 January 2019)

Registered Office
6 Shenton Way
#12-11/11A OUE Downtown 2
Singapore 068809

Auditor
Deloitte & Touche LLP, Singapore

IIFL Capital Pte. Ltd.

Directors' statement

The directors are pleased to present their statement to the members together with the audited financial statements of IIFL Capital Pte. Ltd. (the "Company") for the financial year ended 31 March 2019.

Opinion of the directors

In the opinion of the directors,

(a) the accompanying statement of comprehensive income, statement of financial position, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; 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.

1. Directors

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

Amit Garg
Arun Vijay Chopra

2. Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares or debentures

The directors of the Company who held office at the end of the financial year had no interest in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by Company under Section 164 of the Singapore Companies Act, Chapter 50, except as follows:

		Direct interest	
Name of directors and companies in which interests are held		At the beginning of financial year or date of appointment, if later	At the end of financial year
Ordinary shares of the related company (IIFL Wealth Management Limited)			
Amit Nitin Shah	(Resigned on 12 March 2019)	2,718,421	1,568,421
Arun Vijay Chopra	(Appointed on 12 March 2019)	28,198	35,198

3. Directors' interests in shares or debentures (cont'd)

	Direct interest	
Options to subscribe for ordinary shares of a related company (IIFL Wealth Management Limited)	At the beginning of financial year or date of appointment, if later	At the end of financial year
Amit Garg	23,864	23,864
Arun Vijay Chopra (Appointed on 12 March 2019)	32,812	25,812

By virtue of Section 7 of the Singapore Companies Act, the above directors with shareholdings are deemed to have an interest in the Company and in all the related corporations of the Company.

4. Share options

During the financial year, there was:

(a) no option granted by the Company to any person to take up unissued shares of the Company; and

(b) no share issued by virtue of the exercise of options to take up unissued shares of the Company.

(c) At the end of the financial year, there was no unissued shares of the Company under options.

5. Auditor

The auditors, Deloitte & Touche LLP, Singapore have expressed their willingness to accept re-appointment as auditor.

Agarg

Amit Garg
Director

Arun Chopra

Arun Chopra
Director

Singapore
28 June 2019

Deloitte.

Deloitte & Touche LLP
Unique Entity No. T08LL0721A
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

Tel: +65 6224 8288
Fax: +65 6538 6166
www.deloitte.com/sg

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL CAPITAL PTE. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of IIFL Capital Pte. Ltd. (the "Company") which comprise the statement of financial position of the Company as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 31.

In our opinion, the accompanying financial statements of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2019 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of *Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the Company for the year ended 31 March 2018 were audited by other firm of auditors who express unmodified opinion on those financial statements in their report dated 30 April 2018.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL CAPITAL PTE. LTD.

Information Other than the Financial Statements and Auditor's Report Thereon

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

IIFL CAPITAL PTE. LTD.

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

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

28 June 2019

IIFL Capital Pte. Ltd.
Statement of Financial Position as at March 31, 2019

	Note	As at Mar 31, 2019	As at Mar 31, 2018
		S$	**S$**
ASSETS			
Current assets			
a. Financial Assets			
i. Investments	5	-	48,507
ii. Trade receivables	6	340,670	1,122,811
iii. Cash and cash equivalents	7	1,866,088	4,386,185
iv. Other receivables	8	265,938	145,505
b. Other Current Assets	9	87,588	97,240
Total current assets		**2,560,284**	**5,800,248**
Non-current assets			
a. Property, Plant and Equipment	10	186,503	187,879
b. Intangible assets	11	464,558	-
Total non-current assets		**651,061**	**187,879**
Total Assets		**3,211,345**	**5,988,127**
LIABILITIES AND EQUITY			
Current liabilities			
a. Financial Liabilities			
i. Amount due to related company	12	-	169,591
ii. Accrued expenses and other payables		838,578	737,148
b. Other payables		6,263	7,136
c. Provision for taxation		50,243	148,278
Total current liabilities		**895,084**	**1,062,153**
Equity			
a. Share capital	14	5,300,000	5,300,000
b. Accumulated Losses		(2,983,739)	(374,026)
Total Equity		**2,316,261**	**4,925,974**
Total Equity and Liabilities		**3,211,345**	**5,988,127**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL Capital Pte. Ltd.

Statement of profit or loss and other comprehensive income for the year ended March 31, 2019

	Note	2019	2018
		S$	**S$**
Revenue from operations	15	2,057,454	5,647,513
Other income	16	35,701	4,752
Total revenue		**2,093,155**	**5,652,265**
Expenses			
Employee's compensation and related costs	17	2,541,666	2,855,212
Office rental expenses		171,402	161,043
Depreciation and amortisation expense	10 & 11	64,582	46,211
Net foreign exchange (gain)/ loss		(149,394)	189,504
Fair value loss on investment securities		-	274,159
Other operating expenses	18	2,074,612	1,813,942
Total expenses		**4,702,868**	**5,340,071**
(Loss)/Profit before income tax		**(2,609,713)**	**312,194**
Income tax expense	19	-	79,698
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the year		**(2,609,713)**	**232,496**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

IIFL Capital Pte. Ltd.
Statement of changes in equity for the year ended March 31, 2019

	Share Capital	Accumulated losses	Total Equity
	S$	S$	S$
Balance at 1 April 2017	5,300,000	(606,522)	4,693,478
Profit for the year, representing total comprehensive income for the year	-	232,496	232,496
Balance at 31 March 2018	5,300,000	(374,026)	4,925,974
Loss for the year, representing total comprehensive loss for the year	-	(2,609,713)	(2,609,713)
Balance at 31 March 2019	5,300,000	(2,983,739)	2,316,261

IIFL Capital Pte. Ltd.

Cash flow statement for the year ended March 31, 2019

	2019 S$	2018 S$
Cash flows from operating activities		
(Loss)/Profit before income tax	(2,609,713)	312,194
Adjustments for :		
Depreciation and amortisation expenses	64,582	46,211
Fair value loss on investment securities	-	274,160
	(2,545,131)	632,565
Operating cash flows before movements in working capital		
Decrease in trade receivables	782,141	874,021
(Increase)/Decrease in other receivables	(120,433)	30,084
Decrease/(Increase) in other current assets	9,652	(47,697)
(Decrease)/Increase in amount due to a related party	(169,591)	89,646
Increase/(Decrease) in accrued expenses and other payables	101,430	(46,155)
(Decrease)/Increase in other payables	(873)	7,136
	(1,942,805)	1,539,600
Less: Income tax paid	(98,035)	-
Net cash flows (used in)/generated from operating activities	(2,040,840)	1,539,600
Cash flows from investing activities		
Purchase of property, plant and equipment	(55,185)	(231,582)
Purchase of intangible assets	(472,579)	-
Purchase of investment securities	-	(48,507)
Proceeds from disposal of investment securities	48,507	2,964,599
Net cash flows (used in)/generated from investing activities	(479,257)	2,684,510
Net (decrease)/increase in cash and cash equivalents for the year	(2,520,097)	4,224,110
Cash and cash equivalents at beginning of year	4,386,185	162,075
Cash and cash equivalents at end of year (Note 7)	1,866,088	4,386,185

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1 *Corporate information*

IIFL Capital Pte. Ltd. (the "Company") is a private limited company incorporated in the Republic of Singapore whose registered office is at 6 Shenton Way, #12-11/11A OUE Downtown 2, Singapore 068809. It is a wholly-owned subsidiary of IIFL (Asia) Pte. Ltd., a company incorporated in Singapore (the "immediate holding company"). The immediate holding company is a subsidiary of IIFL Wealth Management Limited , a company incorporated in India. The ultimate holding company is IIFL Holdings Limited (the "ultimate holding company"), a company incorporated in India, listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited.

The principal activity of the Company is to carry on its business in fund management and certain financial advisory services in Singapore.

On 4 June 2013, the Company was issued a Capital Markets Services License by the Monetary Authority of Singapore ("MAS") and licensed under the Securities and Future Act (Chapter 289) to conduct fund management. There was no significant change in nature of these activities during the financial year.

The financial statements of the company for the year ended March 31, 2019 were authorised for issue by the Board of Directors on 28 June 2019.

2 *Summary of significant accounting policies*

2.1 *Basis of accounting*

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs"). The financial statments are presented in Singapore dollars ("SGD" or "S$").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment* , leasing transactions that are within the scope of FRS 17 *Leases* , and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

2 *Summary of significant accounting policies (cont'd)*

2.2 *Adoption of new and revised standards*

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after April 1, 2018. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets. Details of these new requirements as well as their impact on the financial statements are described below.

The Company applied FRS 109 with an initial application date of 1 April 2018. The Company has not restated the comparative information, which continues to be reported under FRS 39.

The significant accounting policies for financial instruments under FRS 109 is as disclosed below.

Classification and measurement of financial assets and financial liabilities

The Company has applied the requirements of FRS 109 to instruments that have not been derecognised as at 1 April 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The classification of financial assets is based on two criteria: the Company's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Company's financial assets and financial liabilities.

Impairment of financial assets

FRS 109 requires an expected credit loss model as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, FRS 109 requires the Company to recognise a loss allowance for expected credit losses on i) debt investments subsequently measured at amortised cost or at FVTOCI, ii) lease receivables, iii) contract assets and iv) loan commitments and financial guarantee contracts to which the impairment requirements of FRS 109 apply.

On the date of application, the Company assessed that the expected credit loss allowance on its in-scope financial assets is not material.

2 *Summary of significant accounting policies (cont'd)*

2.2 *Adoption of new and revised standards (Continued)*

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the company were issued but not yet effective:

Descriptions	Effective for annual periods beginning on or after
FRS 116 *Leases*	April 1, 2019
INT FRS 123: *Uncertainty over Income tax treatments*	April 1, 2019
Improvements to FRS 12 *Income Taxes* (March 2018)	April 1, 2019
Amendments to FRS 1 *Presentation of Financial Statements* and FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*	April 1, 2020

The management anticipates that the adoption of the above amendments to FRS in future periods will not have a material impact on the financial statements of the Company in the period of its initial adoption.

<u>FRS 116: *Leases*</u>

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

The Management have assessed that no material impact of the adoption of the above standard is expected since there is one lease in the Company and even that is shared with IIFL Securities Pte. Limited through cost allocation.

<u>INT FRS 123: *Uncertainty over Income tax treatments*</u>

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments.

The Interpretation requires a Company to:

• determine whether uncertain tax positions are assessed separately or as a group; and

• assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by a Company in its income tax filings:

o if probable, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.

o if not probable, the Company should reflect the effect of uncertainty in determining its accounting tax position.

As per the Appendix, the Company has assessed the probability of uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied prospectively with the cumulative effect of its initial application on the opening balance sheet as on 1st April 2019.

2 *Summary of significant accounting policies (cont'd)*

2.3 *Financial instruments*

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.4 *Financial assets (before April 1, 2018)*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. When financial assets are recognised initially, they are measured at fair value and in the case of financial assets not at fair value through profit or loss, plus directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classifications as follows.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired and through the amortisation process. The company Classifies the cash and cash equivalents, trade and other receivables as loans and receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon intitial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

The Company classified investments securities as financial assets at fair value through profit or loss.

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 of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. 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 gains or losses that have been recognised in other comprehensive income are recognised in profit or loss.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

2 *Summary of significant accounting policies (cont'd)*

2.4 *Financial assets (before April 1, 2018) (Continued)*

Impairment of financial assets (continued)

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, they include the asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present values of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written-off against the carrying value of the financial assets.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.5 *Financial assets (from April 1, 2018)*

Classification of financial assets

Financial assets that meet both the following conditions are measured at amortised cost:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category applies to cash and bank balances, trade receivables, loans and other financial assets of the Company. Such financial assets are subsequently measured at amortized cost using the effective interest method.

2 *Summary of significant accounting policies (cont'd)*
2.5 *Financial assets (from April 1, 2018) (continued)*

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognized using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:
i. Trade receivables
ii. Financial assets measured at amortized cost (other than trade receivables)
iii. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL area portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

2 *Summary of significant accounting policies (cont'd)*

2.5 *Financial assets (from April 1, 2018) (continued)*

Impairment of financial assets (continued)

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

• an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

• significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

• existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

• an actual or expected significant deterioration in the operating results of the debtor;

• an actual or expected significant adverse change in the regulatory, economic, technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations; or

• significant changes in the expected performance and behavior of the borrower.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may,
but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

2 *Summary of significant accounting policies (cont'd)*

2.5 *Financial assets (from April 1, 2018) (continued)*

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, 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.

2.6 *Financial liabilities and equity instruments*

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Amount due to a related company, accrued expenses 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 except for short-term balances when the effect of discounting is immaterial.

Derecognition of financial liabilities

The Company derecognises financial liabilities 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 the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit and loss.

Equity instruments

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted from share capital.

2 ***Summary of significant accounting policies (cont'd)***

2.7 ***Property, Plant and Equipment***

Plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses.
Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computers	-	3 years
Furniture and fittings	-	5 years
Office equipment	-	5 years
Leasehold improvement	-	5 years

The estimated useful lives, residual values and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss and other comprehensive (loss)/income.

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

2.8 ***Impairment of non-financial assets***

At the end of each reporting period, the Company reviews the carrying amounts of the non-financial assets to determine whether there is any indication that these 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). Where 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 higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or 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.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, such 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 an impairment loss is recognised immediately in profit or loss.

All other leases are classified as operating leases.

2 ***Summary of significant accounting policies (cont'd)***

2.9 ***Intangible assets***

Intangible assets acquired separately are reported at cost less accumulated amortization where they are considered to have finite useful lives and accumulated impairment losses (if any). Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed as at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of Intangible Assets

As at each reporting date, the group reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Acquistion of rights to operate, administrate and manage the Ashburton fund recognised as Intangible Asset as per IAS 38 is amortised over its useful life of 10 years.

2.10 ***Operating leases***

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of lease.

2.11 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2 ***Summary of significant accounting policies (cont'd)***

2.12 ***Revenue recognition (before April 1, 2018)***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivables.

Revenue from the provision of fund management services is recognised based on pre-defined rates over the Net Asset Value ("NAV") under Management of all managed funds as determined between the Company and its clients on an accrual basis. Performance fees are recognised when the quantum of fees can be measured reliably. Upfront and setup fees are recognised when the fees can be reliably measured.

Revenue recognition (from April 1, 2018)

Revenue from rendering services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered.

Revenue from the provision of fund management services is recognised based on pre-defined rates over the Net Asset under Management of all managed funds as determined between the Company and its clients on an accrual basis. Performance fees are recognised when the quantum of fees can be measured reliably. Upfront and setup fees are recognised when the fees can be reliably measured.

2.13 ***Employee benefits***

As required by law, the Company makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the financial period in which the related service is performed.

2.14 ***Income Taxes***

Income tax for the financial year comprises of current tax and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and tax laws) enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, using the balance sheet method, providing for all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at the end of the reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

2 ***Summary of significant accounting policies (cont'd)***

2.15 ***Foreign Currency transactions***

Transactions in foreign currencies are measured in the functional currency are recorded on the initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.16 ***Cash and cash equivalents***

Cash and cash equivalents comprises of cash on hand, bank balances and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.17 ***Related parties***

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 (or 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 a third entity and the other entity is an associate of the third entity;
(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); or
(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).

2 ***Summary of significant accounting policies (cont'd)***

2.18 ***Structured entities***

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has some or all of the following features or attributes: (a) restricted activities; (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors; (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support; and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Company has determined that investment funds to which it provides fund management services are unconsolidated structured entities.

Interests in unconsolidated structured entities

The Company's interests in unconsolidated structured entities refer to contractual and non-contractual involvement that exposes the Company to variability of returns from the performance of the structured entities. Interests in unconsolidated structured entities exclude instruments which introduce variability of returns into the structured entities.

3 ***Significant accounting judgements and estimates***

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

The management has determined the currency of the primary economic environment in which the Company operates i.e., functional currency, to be SGD. Major costs of providing services including major operating expenses are primarily influenced by fluctuations in SGD.

Assessment of funds as structured entities

The Company has assessed whether the funds they manage are structured entities. The Company has considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the Company as investment advisor, liquidate the funds, or redeem holdings in the funds (if such rights are equivalent to liquidating the funds). The Company has concluded on whether these rights are the dominant factor in deciding who controls the funds.

The Company has concluded that all the managed funds are unconsolidated structured entities.

3 ***Significant accounting judgements and estimates (cont'd)***

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below:

Useful life of Intangible assets

As described in Note 2.9, the Company reviews the estimated useful life of intangible asset as at each reporting date. During the financial year, the Company has management rights over the fund (which is an open ended fund) as long as the fund the exists which is till perpetuity. However, management has determined that the estimated useful life to be 10 years which is based on the expected usage of the asset.

As at each reporting date, the Company determines whether there is any indication that its intangible assets have suffered an impairment loss and if any such indication exists, the recoverable amount of the asset is estimated. A considerable amount of judgement is required in assessing recoverable amount as the estimated future cash flows depend on the current and projection of future market conditions. If the market conditions were to deteriorate, an allowance for impairment may be required.

The carrying amounts of intangible asset at the end of the reporting period are disclosed in Notes 11 to the financial statements respectively.

4 ***Management and performance fees***

The Company's revenue results from investment management services provided to its managed funds. The Company receives management and performance fees at rates determined between the Company and its managed funds.

	2019	2018
5 Investments	**S$**	**S$**
Held for trading investments:		
Cost of investment	-	48,507
Net fair value gain on investment securities	-	-
	-	**48,507**

For the financial year ended March 31, 2018, the Company has fully disposed its investment in Global Dynamic Opportunities Fund Ltd ("GDOF"), a fund managed by a related party. As at March 31, 2018, the Company holds 300 fully paid-up shares of no par value in IIFL Fund and the same was disposed off in financial year 2018-19 at cost price.

	2019	2018
6 Trade Receivables	**S$**	**S$**
Trade receivables	340,670	1,122,811
Total	**340,670**	**1,122,811**

Trade receivables comprise management and performance fees receivable.

Trade receivables are non-interest bearing and are generally on 90 days (2018: 90 days) credit terms. These are recognised at their original amounts which represent their fair value on initial recognition.

Trade receivables are neither past due nor impaired.

The Company has not recognised any loss allowance as the ECL on trade receivables has immaterial effect to the Company's financial statements because historical experience has indicated that all receivables are generally recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

7 Cash and cash equivalents

	2019	2018
	S$	**S$**
Cash at bank	1,332,834	4,386,185
Fixed deposit (Less than three months)	533,254	-
	1,866,088	**4,386,185**

The fixed deposits bear an average interest rate of 1.80% (2018: Nil%) per annum and have a maturity period of less than three months (2018: Nil).

Cash and cash equivalents are denominated in the following currencies:

	2019	2018
	S$	**S$**
Singapore dollars	92,656	102,276
United States dollars	1,773,432	4,283,909
	1,866,088	**4,386,185**

	2019	2018
8 Other receivables	**S$**	**S$**
Current		
Amount due from a related company (Refer note 20)	170,310	-
Refundable Deposits	80,323	80,323
Advances	15,305	65,182
Total	**265,938**	**145,505**

Amount due from a related company is unsecured, interest-free and repayable on demand.

Management assessed the ECL impact on amount due from a related company and determined to be immaterial effect to the Company's financial statements. The loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

	2019	2018
9 Other current assets	**S$**	**S$**
Prepaid expenses	87,588	97,240
Total	**87,588**	**97,240**

10 Property, Plant & Equipment

	Computers S$	Furniture and fittings S$	Office equipments S$	Leasehold improvements S$	Total S$
Cost					
At 1 April 2017	44,221	25,390	17,324	-	86,935
Additions	25,440	230	7,290	198,621	231,581
At 31 March 2018	69,661	25,620	24,614	198,621	318,516
Additions	6,396	-	48,789	-	55,185
At 31 March 2019	76,057	25,620	73,403	198,621	373,701
Accumulated Depreciation					
At 1 April 2017	43,844	23,258	17,324	-	84,426
Depreciation charge for the year	7,937	737	1,078	36,459	46,211
At 31 March 2018	51,781	23,995	18,402	36,459	130,637
Depreciation charge for the year	9,776	737	6,324	39,724	56,561
At 31 March 2019	61,557	24,732	24,726	76,183	187,198
Net carrying amount					
At 31 March 2018	17,880	1,625	6,212	162,162	187,879
At 31 March 2019	14,500	888	48,677	122,438	186,503

11 Intangible assets

	Intangible assets S$	Total S$
Cost		
At 1 April 2017	-	-
Additions	-	-
At 31 March 2018	-	-
Additions	472,579	472,579
At 31 March 2019	472,579	472,579
Accumulated Depreciation		
At 1 April 2017	-	-
Amortisation charge for the year	-	-
At 31 March 2018	-	-
Amortisation charge for the year	8,021	8,021
At 31 March 2019	8,021	8,021
Net carrying amount		
At 31 March 2018	-	-
At 31 March 2019	464,558	464,558

The intangible assets pertains to acquisition of rights to operate, adminstrate and manage the Ashburton fund. The intangible asset has finite useful lives and are amortised over their estimated useful lives of 10 years.

The amortisation expense has been included in the line item “depreciation and amortisation expense” in profit or loss.

		2019	2018
12	**Amount due to a related company**	**S$**	**S$**
	Amount due to related company (Refer note 20)	-	169,591

Amount due to a related company is trade related, unsecured and interest-free.

		2019	2018
13	**Accrued expenses and other payables**	**S$**	**S$**
	Accrued expenses	359,593	281,510
	Provision for bonus	-	363,700
	Other payables	478,985	91,938
	Total	**838,578**	**737,148**

		2019		2018	
14	**Share Capital**	**No. of shares**	**S$**	**No. of shares**	**S$**
	Issued and fully paid:				
	At the beginning and end of year	5,300,000	5,300,000	5,300,000	5,300,000

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

		2019	2018
15	**Revenue from Operations**	**S$**	**S$**
	Investment / Fund Management Fees (Refer note 20)	1,859,710	4,810,949
	Performance, Upfront and Set up Fees (Refer note 20)	197,744	836,564
		2,057,454	**5,647,513**

		2019	2018
16	**Other Income**	**S$**	**S$**
	Interest Income	31,734	60
	Miscellaneous income	3,967	4,692
		35,701	**4,752**

17 Employee's compensation and related costs

	2019 S$	2018 S$
Staff salaries and bonuses	2,370,528	2,745,969
Contributions to defined contribution plan	52,293	64,930
Other short-term benefits	109,075	43,657
Leave Encashment	9,770	656
	2,541,666	**2,855,212**

Included in the employee's compensation and related costs are remuneration for directors and key management personnel amounting to $965,487 (2018: $882,989).

18 Other operating expenses

	2019 S$	2018 S$
Brokerage related expenses (Refer note 20)	315,715	1,066,086
Operations and Fund Management expenses (Refer note 20)	647,552	276,221
Marketing, Advertisement and Business promotion expenses	145,360	22,248
Bank Charges	14,693	10,966
Communication	56,285	303
Electricity	3,849	2,130
Legal & Professional Fees	593,285	134,368
Miscellaneous expenses	-	656
Office expenses	45,698	19,142
Postage & Courier	4,241	3,876
Printing & Stationary	6,905	4,054
Manpower Outsource expenses (Refer note 20)	60,000	60,000
Insurance	24,037	47,952
Repairs & Maintenance	4,545	17,114
Remuneration to Auditors :		
Audit Fees	35,909	27,834
Software Charges / Technology Cost	6,276	5,355
Travelling & Conveyance	110,262	115,636
	2,074,612	**1,813,942**

19 Income tax expense

Major components of income tax expense	2019 S$	2018 S$
Current income tax:		
- Current income taxation	-	127,488
- Overprovision in respect of prior year	-	(47,790)
	-	**79,698**

The income tax credit/expense varied from the account of income tax expense determined by applying the Singapore tax rate of 17% (2018: 17%) to (loss)/profit before income tax as a result of the following differences:

	2019 S$	2018 S$
(Loss)/Profit before tax	(2,609,713)	312,194
Tax at statutory tax rate of 17% (2018 :17%)	(443,651)	53,073
Adjustments :		
Non-deductible expenses	(24,660)	79,150
Underprovision / (Overprovision) in respect of prior year	23,239	(47,790)
Effect of tax relief and tax rebate	(25,925)	(25,925)
Deferred tax assets not recongised	10,979	7,856
Unabsorbed tax losses carried forward	460,018	-
Others	-	13,334
Income tax/Deferred tax recognised in profit or loss	**-**	**79,698**

20 Related party transactions

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

Significant Related party transactions:

		2019	2018
(a)	**Revenues**	**S$**	**S$**
	Fees from Global Dynamic Opportunity Fund ("GDOF"):		
	- Management fees	1,477,689	3,531,250
	- Performance fees	4,004	324,289
	- Upfront fees	173,265	459,100
	- Set up fees	20,475	53,175
	Fees from IIFL Opportunity Fund 3 ("IOF3"):		
	- Management fees	371	21,709
	Fees from IIFL Global Wealth Fund Ltd. ("IGWF"):		
	- Management fees	23,597	6,224

		2019	2018
(b)	**Expenses**	**S$**	**S$**
	Referral fees paid to a related company:		
	- IIFL Securities Pte. Ltd.	102,815	698,950
	Fund management expenses paid on behalf of an affiliated fund	569,231	262,336
	Manpower outsourcing fees paid to:		
	- IIFL Distribution Services Private Limited	60,000	60,000

		2019	2018
(c)	**Compensation of key management personnel**	**S$**	**S$**
	Salaries and bonuses	948,147	867,893
	CPF contributions	17,340	15,096
	Amounts paid to directors of the Company	965,487	882,989

		2019	2018
(d)	**Amounts due to a related company**	**S$**	**S$**
	IIFL Securities Pte. Ltd.	-	169,591

		2019	2018
(e)	**Amounts due from a related company**	**S$**	**S$**
	IIFL Securities Pte. Ltd.	170,310	-

20 Related party transactions (cont'd)

(f) Other interests in unconsolidated structured entities

The Company received management and performance fees in respect of its fund management business. The Company does not sponsor any of the investment fund vehicles ("Funds") from which it received fees. Management fees, performance fees, and other fees received from the Funds represent an interest in unconsolidated structured entities. As these investments are not held by the Company, the investment risk is borne by the external investors of the Funds and therefore the Company's maximum exposure to loss relates to future management fees, performance fees and other fees. The table below shows the net asset value of the Funds under management and the fees earned from those entities.

	Asset under management of the Funds under management as of 31 March 2019	Management Fees	Performance Fees	Upfront Fees	Set up Fees
	S$	S$	S$	S$	S$
Affiliated funds					
- GDOF	165,590,571	1,477,689	4,004	173,265	20,475
- IOF3	920,655	371	-	-	-
- IGWF	4,291,485	23,597	-	-	-
Third Party*	91,276,013	358,053	-	-	-
	262,078,724	**1,859,710**	**4,004**	**173,265**	**20,475**

* Asset under management of DMI fund is not available as the fund was closed w.e.f. from 1st December, 2018.

	Asset under management of the Funds under management as of 31 March 2018	Management Fees	Performance Fees	Upfront Fees	Set up Fees
	S$	S$	S$	S$	S$
Affiliated funds					
- GDOF	625,719,415	3,531,250	324,289	459,100	53,175
- IOF3	-	21,709	-	-	-
- IGWF	28,856,961	6,224	-	-	-
Third Party	320,093,705	1,251,766	-	-	-
	974,670,081	**4,810,949**	**324,289**	**459,100**	**53,175**

21 Operating lease arrangements

	2019	2018
	S$	S$
Minimum lease payments under operating leases recognised as expense in the year	171,402	161,043

Future minimum rental payable under operating leases at the end of the reporting period were as follows:

	2019	2018
	S$	S$
Within one year	338,004	338,004
Later than one year but not later than five years	42,251	380,255
	380,255	**718,259**

Leases are negotiated for an average terms of 3 years with an option to renew for another 3 years at terms agreed between the parties.

22 Financial instruments, financial risk and capital management

22.1 Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2019	2018
	S$	S$
Financial assets		
Financial assets at amortised cost (2017 : Loans and receivables)		
Trade receivables	340,670	1,122,811
Other receivables	95,628	145,505
Cash and cash equivalents	1,866,088	4,386,185
Amounts due from a related company	170,310	-
Total financial assets	**2,472,696**	**5,654,501**
Financial liabilities		
Amounts due to a related company	-	169,591
Trade payables	838,578	737,148
Total financial liabilities	**838,578**	**906,739**

22 Financial instruments, financial risk and capital management (cont'd)

22.2 Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Company does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting arrangements.

22.3 Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and cash equivalents for the Company's daily operations. The Company has various financial assets and liabilities such as trade and other receivables, amounts due from/(to) related parties and accrued expenses, which arise directly from its operations.

The Company does not hold or issue derivative financial instruments for speculative purposes. There has been no change to the Company's exposure to these financial risks or the matter in which it manages and measures the risk.

The financial risks arising from the Company's operations are credit risk, foreign currency risk and liquidity risk. The Board of directors review and agrees policies for managing each of these risks and they are summarised below:

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial assets should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from amounts due from related companies and other receivables. The cash and cash equivalents are placed with a financial institution with good credit rating.

The Company attempts to minimise its credit risk by evaluating and monitoring the credit exposure to its related parties and other receivables. The Company adopted the policy of only dealing with credit worthy counterparties to mitigate the risk of financial loss from default.

Exposure to credit risk arising from related party transactions is minimal as these companies are of high credit quality and loans are of short duration. The carrying amount of financial assets recorded in the statement of financial position represent the Company's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk.

As at the end of the reporting period, the Company has no financial asset that is past due or impaired. Management considers the probability of default to be close to zero as the counterparties have strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly and individually insignificant to the Company.

(b) *Foreign currency risk*

Foreign currency risk is the risk that arises from the change in price of one currency against another because of changes in foreign currency exchange rates.

The Company is exposed to movements in the foreign currency exchange rates other than in its functional currency, the SGD. The Company reviews its exposure to foreign currency risk on a regular basis.

As at 31 March 2019, the Company's cash and cash equivalents, investment in securities, trade and other receivables and accrued expenses are exposed to approximately S$ 1,673,132 (2018: S$5,111,299) of United States dollars ("USD" or "US$") and S$ 27,135 (2018: S$ NIL) of Euros.

The following table demonstrates the sensitivity of the Company's Equity and Profit and Loss accounts resulting from a reasonable possible change in USD against SGD, with all other variables held constant:

	2019 S$	2018 S$
USD - strengthened by 5% (2018: 5%)	83,657	255,565
USD - weakened by 5% (2018: 5%)	(83,657)	(255,565)
EUR - strengthened by 5% (2018: 5%)	1,357	-
EUR - weakened by 5% (2018: 5%)	(1,357)	-

(c) *Liquidity risk*

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due and it results from amounts and maturity mismatches of assets and liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility by maintaining sufficient liquid financial assets.

Maturity analysis of financial liabilities

All Financial liabilities in 2018 and 2019 are repayable on demand or due within 1 year from the end of the reporting date.

(d) *Interest rate risk*

Interest rate risk refers to the risk of adverse impact on the Company due to fluctuation in interest rates.

The Company does not have significant exposure to interest rate risk at the end of the reporting period as it does not hold significant interest bearing financial assets and/or financial liabilities.

22 Financial instruments, financial risk and capital management (cont'd)
22.3 Financial risk management objectives and policies (cont'd)

(e) Fair Value of financial assets and financial liabilities

Fair value of the Company's financial assets and financial liabilities that are not measured at fair value on a recurring basis, but for which fair value disclosure is required.

The carrying amounts of cash and cash equivalents, trade receivables, deposits, amounts due from related company, trade payables and amount due to a related company approximate their fair values due to the relatively short-term maturity of these financial instruments.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis
Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of the investment securities as at the date of the balance sheet was determined based on the Net Asset Value ("NAV") per share published by the Administrator of the fund.

The following table shows an analysis of financial instruments measured at fair value at the end of the reporting period.

31-Mar-19	**Level 1**	**Level 2**	**Level 3**	**Total**
	S$	**S$**	**S$**	**S$**
Investment securities	–	–	–	–

31-Mar-18	**Level 1**	**Level 2**	**Level 3**	**Total**
	S$	**S$**	**S$**	**S$**
Investment securities	–	48,507	–	–

(f) Capital management policies and objectives

The Company maintains a capital base to cover risk inherent in the business. The primary objective of the Company's capital management is to ensure that it maintains sufficient capital to safeguard its ability to continue as a going concern.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No change was made in the objectives, policies or processes during the financial year ended 31 March 2019.

The Company is subject to the base capital and financial resources requirements pursuant to the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licenses) Regulations. The Company has complied with the base capital and financial resources requirement throughout the year.