Accordia Golf Trust Management Pte. Ltd.
Registration Number: 201407957D

Annual Report
Year ended 31 March 2020

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DIRECTORS' STATEMENT

We are pleased to present this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 March 2020.

In our opinion:

(a) the financial statements set out on pages FS1 to FS32 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Yoshihiko Machida
Toyo Nakanishi
Khoo Kee Cheok @ Kee Chor
Chong Teck Sin
Hitoshi Kumagai

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the Act), no director who held office at the end of the financial year (including those held by their spouses and infant children) had interest in shares, debentures, warrants, share options and share awards in the Company and its related corporations either at the beginning or at the end of the financial year.

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

Share options

During the financial year, there were:

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

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

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

Auditors

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

On behalf of the Board of Directors

Yoshihiko Machida
Director

Toyo Nakanishi
Director

28 July 2020

INDEPENDENT AUDITORS' REPORT

Members of the Company
Accordia Golf Trust Management Pte. Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Accordia Golf Trust Management Pte. Ltd. ('the Company'), which comprise the statement of financial position as at 31 March 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS32.

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

Basis for opinion

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

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of management and Directors for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

28 July 2020

STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Note	2020 $	2019* $
Assets			
Property, plant and equipment	4	321,953	46,054
Deferred tax assets	5	1,458	3,464
Non-current assets		323,411	49,518
Trade and other receivables	6	1,554,204	1,260,588
Prepayments		82,805	88,378
Cash and cash equivalents	7	4,484,855	4,119,348
Current assets		6,121,864	5,468,314
Total asset		6,445,275	5,517,832
Equity			
Share capital	8	625,000	625,000
Accumulated profits		5,189,088	4,660,896
Total equity		5,814,088	5,285,896
Liabilities			
Lease liabilities	9	132,891	–
Non-current liabilities		132,891	–
Lease liabilities	9	138,711	–
Trade and other payables	10	263,218	209,762
Current tax liabilities		96,367	22,174
Current liabilities		498,296	231,936
Total liabilities		631,187	231,936
Total equity and liabilities		6,445,275	5,517,832

* See note 2.5, the Company has initially applied FRS 116 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 March 2020

	Note	2020 $	2019* $
Revenue	11	3,187,726	2,895,919
Other income		338	345
Staff costs		(2,005,122)	(2,056,972)
Professional fees		(140,369)	(241,763)
Investor relation expenses		(12,054)	(20,324)
Short-term lease (2019: Operating lease expenses)		(7,039)	(140,535)
Travelling expenses		(130,215)	(96,398)
Other expenses		(342,136)	(194,644)
Results from operating activities		551,129	145,628
Finance income		74,154	15,688
Finance costs		(6,593)	–
Net finance income	12	67,561	15,688
Profit before tax	13	618,690	161,316
Tax expense	14	(90,498)	(14,514)
Profit for the year		528,192	146,802
Other comprehensive income that may be reclassified subsequently to profit or loss			
Changes in fair value of financial hedges		–	31,587
Other comprehensive income for the year, net of tax		–	31,587
Total comprehensive income for the year		528,192	178,389

* See note 2.5, the Company has initially applied FRS 116 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

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

STATEMENT OF CHANGES IN EQUITY
Year ended 31 March 2020

	Share capital $	Accumulated profits $	Hedging reserve $	Total equity $
At 1 April 2018	625,000	4,514,094	(31,587)	5,107,507
Total comprehensive income for the year				
Profit for the year	–	146,802	–	146,802
Other comprehensive income				
Effective portion of changes in fair value of financial hedges	–	–	31,587	31,587
Total other comprehensive income	–	–	31,587	31,587
Total comprehensive income for the year	–	146,802	31,587	178,389
At 31 March 2019	625,000	4,660,896	–	5,285,896
At 1 April 2019	625,000	4,660,896	–	5,285,896
Total comprehensive income for the year				
Profit for the year	–	528,192	–	528,192
	–	528,192	–	528,192
At 31 March 2020	625,000	5,189,088	–	5,814,088

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

STATEMENT OF CASH FLOWS
Year ended 31 March 2020

	Note	2020 $	2019* $
Cash flows from operating activities			
Profit before tax		618,690	161,316
Adjustments for:			
Depreciation of property, plant and equipment		185,379	15,818
Interest expense		6,593	–
Interest income		(69,428)	(63,893)
		741,234	113,241
Changes in:			
– trade and other receivables		(282,149)	86,800
– prepayments		5,573	18,801
– trade and other payables		53,456	(116,690)
– financial derivatives		–	68,026
Cash generated from operations		518,114	170,178
Tax paid		(14,299)	(33,901)
Net cash flows from operating activities		503,815	136,277
Cash flows from investing activities			
Interest received		57,961	37,734
Purchase of property, plant and equipment		(2,850)	–
Fixed deposit pledged with a financial institution		–	(500,000)
Net cash flows from/(used in) investing activities		55,111	(462,266)
Cash flows from financing activities			
Repayment of lease liabilities		(193,419)	–
Net cash flow used in financing activities		(193,419)	–
Net increase/(decrease) in cash and cash equivalents		365,507	(325,989)
Cash and cash equivalent at 1 April		3,119,348	3,445,337
Cash and cash equivalents at 31 March	7	3,484,855	3,119,348

Non-cash transactions

During the financial year, the Company acquired property, plant and equipment of $276,738 (2019: Nil) of which $273,888 (2019: Nil) related to right-of-use assets.

* See note 2.5, the Company has initially applied FRS 116 at 1 April 2019, using the modified retrospective approach. Under this approach, comparative information is not restated.

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 28 July 2020.

1 DOMICILE AND ACTIVITIES

Accordia Golf Trust Management Pte. Ltd. (the "Company") is a company incorporated in Singapore. The address of the Company's registered office is at 80 Robinson Road, #22-03A, Singapore 068898.

The principal activity of the Company is that of a trustee-manager for Accordia Golf Trust (business trust).

The Company is a joint venture between Accordia Golf Co., Ltd. and Daiwa Real Estate Asset Management Co. Ltd.. Both companies are incorporated in Japan.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

This is the first set of the Company's annual financial statements in which FRS 116 *Leases* has been applied. The related changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as otherwise described in the accounting policies set out below.

2.3 Functional and presentation currency

These financial statements are presented in is Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars, unless otherwise stated.

2.4 Use of estimates and judgements

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

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

2 BASIS OF PREPARATION (CONTINUED)

2.4 Use of estimates and judgements (continued)

There are no significant areas of critical judgements in the application of accounting policies that have significant effect on the amount recognised in the financial statements or assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarch based on the inputs used in the valuations techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable and market data (unobservable market data).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 17 – Valuation of financial instruments

2.5 Changes in accounting policies

New standards and amendments

The Company has applied FRS 116 *Leases* for the first time for the annual period beginning on 1 April 2019.

Other than FRS 116, the application of the new amendments to standards and interpretations effective on 1 April 2019 does not have a material effect on the financial statements.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (continued)

FRS 116 *Leases*

The Company applied FRS 116 using the modified retrospective approach. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under FRS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in FRS 116 have not generally been applied to comparative information.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under INT FRS 104 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in FRS 116.

On transition to FRS 116, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied FRS 116 only to contracts that were previously identified as leases. Contracts that were not identified as leases under FRS 17 and INT FRS 104 were not reassessed for whether there is a lease under FRS 116. Therefore, the definition of a lease under FRS 116 was applied only to contracts entered into or changed on or after 1 April 2019.

As a lessee

As a lessee, the Company leases office, office equipment and apartment for expatriate. The Company previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under FRS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

Leases classified as operating leases under FRS 17

Previously, the Company classified lease of properties and office equipment as operating lease under FRS 17. On transition, for this lease, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rates applicable to the leases as at 1 April 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Changes in accounting policies (continued)

The Company used a number of practical expedients when applying FRS 116 to leases previously classified as operating leases under FRS 17. In particular, the Company:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

Impact on financial statements

Impact on transition*

On transition to FRS 116, the Company recognised additional right-of-use assets and additional lease liabilities. The impact on transition is summarised below.

	1 April 2019
	$
Right-of-use assets – property, plant and equipment	184,540
Lease liabilities	(184,540)

* For the impact of FRS 116 on profit or loss for the year, see note 16. For the details of accounting policies under FRS 116 and FRS 17, see note 3.6.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted-average rate applied is 6%.

	1 April 2019
	$
Adjusted operating lease commitments at 31 March 2019 as disclosed under FRS 17 in the Company's financial statements	193,203
Discounted using the incremental borrowing rate at 1 April 2019	184,540
Lease liabilities recognised at 1 April 2019	184,540

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Foreign currency

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

3.2 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value to profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances used by the Company in the management of its short-term commitments.

3.3 Derivative financial instruments, including hedge accounting

Derivative financial instruments include forward currency contracts. These are used to manage the Company's exposure to risks associated with foreign currency.

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivative financial instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts and interest rate derivatives are calculated by reference to current forward exchange rates and interest rates respectively for contracts with similar maturity profiles.

Hedge accounting

The Company applies hedge accounting for certain hedging relationships which qualify for hedge accounting. For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

Cash flow hedges

For each cash flow hedge relationship, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the Consolidated Profit and Loss Accounts at the time hedge effectiveness is tested.

When a cash flow hedge is discontinued, any cumulative gain or loss previously recognised in other comprehensive income will remain in the cash flow hedge reserve until the future cash flows occur. If the hedged future cash flows no longer expected to occur, the net cumulative gain or loss is immediately reclassified to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Share capital

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

3.5 Property, plant and equipment

Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net within other expenses in profit or loss.

Subsequent costs

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

Depreciation

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

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

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

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

Computers	–	3 years
Office equipment	–	3 years
Furniture and fittings	–	5 years
Leased properties	–	2 years (remaining lease term)

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases

The Company has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 April 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 April 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of properties the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(i) As a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, if applicable. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - Policy applicable before 1 April 2019

For contracts entered into before 1 April 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases (continued)

(i) As a lessee (continued)

In the comparative period, assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3.7 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(i) Non-derivative financial assets and contract assets (continued)

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment (continued)

(ii) Non-financial assets (continued)

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

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a *pro rata* basis.

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

3.8 Employee benefits

Defined contribution plans

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

Short-term employee benefits

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

3.9 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Revenue recognition

Management fee

Management fee is derived from the management of the business trust and comprises base fee and performance fee which are respectively determined based on the value of the total assets of the business trust on a consolidated basis, and the adjusted net operating income of the investments of business trust. Management fee is recognised on an accrual basis.

Acquisition, divestment and one-time initial setup fees

Acquisition and divestment fees relate to fees earned in relation to the acquisition and divestment of assets by business trust. The acquisition and divestment fees are determined based on the value of the assets acquired and divested and are recognised when the services have been rendered.

One-time initial setup fee relates to acquisition fee for work done in connection with the acquisition of the initial portfolio by business trust. The fee is recognised when the services have been rendered.

3.11 Finance income

Finance income comprises interest income on deposits placed with banks. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

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

3.12 Tax

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

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

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

Current tax assets and liabilities are offset only if certain criteria are met.

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Tax (continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.13 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 April 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements.

None of the new FRS, interpretations and amendments to FRSs are expected to have an effect on the financial statements of the Company in future financial periods.

4 PROPERTY, PLANT AND EQUIPMENT

	Computers $	Office equipment $	Furniture and fittings $	Leased properties $	Total $
Cost					
At 1 April 2018 and 31 March 2019	34,828	8,916	55,312	–	99,056
At 1 April 2019	34,828	8,916	55,312	–	99,056
Recognition of right-of-use assets on initial application of FRS 116	–	1,108	–	183,432	184,540
Adjusted balance as at 1 April 2019	34,828	10,024	55,312	183,432	283,596
Additions	2,850	6,180	–	267,708	276,738
At 31 March 2020	37,678	16,204	55,312	451,140	560,334

	Computers $	Office equipment $	Furniture and fittings $	Leased properties $	Total $
Accumulated depreciation					
At 1 April 2018	30,368	6,816	–	–	37,184
Depreciation charge for the year	2,655	2,100	11,063	–	15,818
At 31 March 2019	33,023	8,916	11,063	–	53,002
Depreciation charge for the year	2,437	2,138	11,063	169,741	185,379
At 31 March 2020	35,460	11,054	22,126	169,741	238,381
Carrying amounts					
At 1 April 2018	4,460	2,100	55,312	–	61,872
At 31 March 2019	1,805	–	44,249	–	46,054
At 31 March 2020	2,218	5,150	33,186	281,399	321,953

5 DEFERRED TAX ASSETS

Movement in deferred tax assets of the Company during the year is as follows:

	At 1 April 2018 $	Recognised in profit or loss (note 14) $	At 31 March 2019 $	Recognised in profit or loss (note 14) $	At 31 March 2020 $
Property, plant and equipment	(4,424)	(536)	(4,960)	1,625	(3,335)
Provisions	188	8,236	8,424	(3,631)	4,793
	(4,236)	7,700	3,464	(2,006)	1,458

6 TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Amounts due from Accordia Golf Trust		
– Trade	667,135	632,805
– Non trade	15,001	12,936
Accrued revenue from Accordia Golf Trust	759,891	516,472
Deposits	65,915	63,582
Accrued interest income	43,832	32,365
Others	2,430	2,428
	1,554,204	1,260,588

Outstanding balances with Accordia Golf Trust are unsecured, interest-free and repayable in demand. There is no allowance for doubtful debt arising from these outstanding balances.

The Company's exposure to credit risk related for trade and other receivables is disclosed in note 17.

7 CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash and bank balances	827,835	508,521
Fixed deposits placed with financial institutions	3,657,020	3,610,827
Cash and cash equivalents in the statement of financial position	4,484,855	4,119,348
Fixed deposit pledged with a financial institution	(1,000,000)	(1,000,000)
Cash and cash equivalents in the statement of cash flows	3,484,855	3,119,348

The fixed deposits placed with financial institutions mature within the next 12 months and bear interest rates of 1.68% to 2.00% (2019: 1.18% to 1.95%) per annum. The fixed deposit of $1,000,000 (2019: $1,000,000) is pledged with a financial institution for foreign exchange forward facility.

8 SHARE CAPITAL

	2020 No. of shares	2019 No. of shares
Issued and fully paid ordinary shares, with no par value:		
At 1 April and 31 March	625,000	625,000

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

Capital management

The Board’s policy is to maintain a sound capital position to support its business growth and strategic investments.

There were no changes in the Company’s approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

9 LEASE LIABILITIES

	2020 $	2019 $
Non-current liabilities		
Lease liabilities	132,891	–
Current liabilities		
Lease liabilities	138,711	–
	271,602	–

Information about the Company's exposure to liquidity risk is included in note 17.

Terms and debt repayment schedule

Terms and condition of lease liabilities are as follows:

			2020		2019	
Currency	**Nominal interest rate**	**Year of maturity**	**Face value** **$**	**Carrying amount** **$**	**Face value** **$**	**Carrying amount** **$**
SGD	6%	2020 - 2022	308,062	271,602	–	–

Reconciliation of movements of lease liabilities of cash flows arising from financing activities

	2020 $
Balance as at 1 April	–
Adoption of FRS116	184,540
Balance at 1 April 2019 restated	184,540
Changes from financing cash flows	
Payment of lease liabilities	(193,419)
Total changes from financing cash flows	(193,419)
Other changes	
New leases	273,888
Interest expense	6,593
Balance as at 31 March	271,602

10 TRADE AND OTHER PAYABLES

	2020 $	2019 $
Trade payables	45,792	19,190
Amount due to a shareholder of the Company (non-trade)	32,330	27,385
Accrued operating expenses	147,939	127,711
Goods and services tax payable	37,157	35,476
	263,218	209,762

The Company's exposure to currency and liquidity risks related to trade and other payables are disclosed in note 17.

11 REVENUE

	2020 $	2019 $
Management fee	3,187,726	2,895,919

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of services	The Company provides trustee-management services to the business trust, which comprises of base and performance fees.
When revenue is recognised	Management fee is recognised over time, calculated based on the value of the total assets of the business trust on a consolidated basis and the adjusted net operating income of the investments of business trust.
Significant payment terms	Invoices are payable within 30 days from the date of invoice.

12 NET FINANCE INCOME

	2020 $	2019 $
Interest income	69,428	63,893
Net exchange gain/(loss)	4,726	(48,205)
Finance income	74,154	15,688
Interest expense on lease liabilities	(6,593)	–
	67,561	15,688

13 PROFIT BEFORE TAX

The following item has been included in arriving at profit before tax:

	2020 $	2019 $
Contributions to defined contribution plans	62,254	52,391

14 TAX EXPENSE

	2020 $	2019 $
Current tax expense		
Current year	96,208	22,174
Adjustment for prior year	(7,716)	40
	88,492	22,214
Deferred tax expense		
Origination and reversal of temporary differences	2,006	(7,700)
Total tax expense	90,498	14,514

	2020 $	2019 $
Reconciliation of effective tax rate		
Profit before tax	618,690	161,316
Tax using the Singapore tax rate of 17% (2019: 17%)	105,177	27,424
Non-deductible expenses	9,248	4,494
Adjustment for prior year	(7,716)	40
Tax incentive	(17,425)	(20,445)
Others	1,214	3,001
	90,498	14,514

15 RELATED PARTIES

Key management personnel compensation

The directors are considered as the key management personnel of the Company.

Key management personnel compensation comprised:

	2020 $	2019 $
Salaries and other short-term employee benefits	883,545	879,399

Other than disclosed above, none of the directors earned any directors' fees or other remuneration in respect of their appointments as directors of the Company during the current year and prior year.

Other related party transactions

Other than those disclosed elsewhere in the financial statements, significant related party transactions carried out in the normal course of business on terms agreed between the parties are as follows:

	2020 $	2019 $
Accordia Golf Trust		
Management fee	(3,187,726)	(2,895,919)
Expenses paid on behalf	72,727	132,140
Shareholder of the Company		
Human resource and administrative service rendered	135,448	158,877
Expenses paid on behalf	–	3,015

16 LEASES

Leases as lessee (FRS 116)

The Company leases its office, apartment for expatriate and office equipment. The leases run for a period of 2 to 3 years, with an option to renew the lease after that date. Lease payments are renegotiated at the end of each lease to reflect market rentals. All leases does not include additional rent payments based on changes in local price indices and the Company generally does not enter into any sub-lease arrangements.

The leases were previously classified as operating leases under FRS 17.

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment (see note 4).

	Office equipment $	**Office $**	**Apartment $**	**Total $**
2020				
Balance at 1 April	1,108	128,668	54,764	184,540
Additions to right-of-use assets	6,180	267,708	–	273,888
Depreciation charge for the year	(2,138)	(128,668)	(41,073)	(171,879)
Balance at 31 March	5,150	267,708	13,691	286,549

Amounts recognised in profit or loss

	$
2020 – Leases under FRS 116	
Interest on lease liabilities	6,593
Short-term leases	7,035
2019 – Operating leases under FRS 17	
Lease expense	140,535

Amounts recognised in statement of cash flows

	2020 $
Total cash outflow for leases	193,419

17 FINANCIAL INSTRUMENTS

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

At the reporting date, the Company's primary exposure to credit risk arises through its receivables from Accordia Golf Trust. The carrying amounts of financial assets in the statement of financial position represent the Company's maximum exposure to credit risk.

Amount due from Accordia Golf Trust

In determining the ECL, the management has taken into account the historical default experience and the financial position of the Accordia Golf Trust, adjusted for factors that specific to the companies and general economic conditions of the industry in which the companies operate, in estimating the probability of default of the financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

Amounts due from Accordia Golf Trust are considered to have low credit risk and there has no significant increase in the risk of default since initial recognition. Impairment has been measured on the 12-months expected loss basis and reflects the short-term maturities of the exposure. The amount of the allowance on these balances is insignificant.

17 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk (continued)

Cash and cash equivalents

The Company held cash and cash equivalents of $4,484,855 (2019: $4,119,348) as at 31 March 2020, which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalent have low credit risk based on the external rating of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

In the management of liquidity risks, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flow.

The following are the contractual maturities of financial liabilities excluding the impact of netting agreements:

		Cash flows		
	Carrying amount	**Contractual cash flows**	**Within 1 year**	**Within 1 to 5 years**
	$	**$**	**$**	**$**
31 March 2020				
Lease liabilities	271,602	(308,062)	(162,486)	(145,576)
Trade and other payables	263,218	(263,218)	(263,218)	–
	534,820	(571,280)	(425,704)	(145,576)
31 March 2019				
Trade and other payables	209,762	(209,762)	(209,762)	–

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

17 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Foreign currency risk

The Company is exposed to currency risk on purchases and cash balances that are denominated in Japanese yen (JPY).

The Company uses derivative financial instruments to hedge its currency risk.

Management reviews periodically to ensure that the net exposure is kept at an acceptable level.

The Company's exposure to foreign currency risk is as follows:

	2020 JPY $	2019 JPY $
Cash and cash equivalents	37,836	97,735
Trade and other payables	(32,330)	(32,588)
Net exposure	5,506	65,147

Sensitivity analysis

A strengthening of the SGD against the JPY at 31 March 2020 would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted purchases.

	Profit or loss	
	10% strengthening $	10% weakening $
31 March 2020		
JPY	(551)	551
31 March 2019		
JPY	(6,515)	6,515

17 FINANCIAL INSTRUMENTS (CONTINUED)

Market risk (continued)

Accounting classifications and fair values

The carrying amounts of financial assets and financial liabilities of the Company with a maturity of more than one year are assumed to approximate their fair values. Further, for the current year the fair value disclosure of lease liabilities is not required.

	Note	Financial assets at amortised cost $	Financial liabilities at amortised cost $	Total carrying amount $
31 March 2020				
Financial assets not measured at fair value				
Trade and other receivables	6	1,554,204	–	1,554,204
Cash and cash equivalents	7	4,484,855	–	4,484,855
		6,039,059	–	6,039,059

	Note	Financial assets at amortised cost $	Other financial liabilities $	Total carrying amount $
31 March 2020				
Financial liabilities not measured at fair value				
Trade and other payables*	10	–	(226,061)	(226,061)
31 March 2019				
Financial assets not measured at fair value				
Trade and other receivables	6	1,260,588	–	1,260,588
Cash and cash equivalents	7	4,119,348	–	4,119,348
		5,379,936	–	5,379,936
Financial liabilities not measured at fair value				
Trade and other payables*	10	–	(174,286)	(174,286)

* Exclude goods and service tax payable

18 IMPACT OF COVID-19

As the 2019 Novel Coronavirus ("Covid-19") continues to evolve, the spread of Covid-19 has created a high level of uncertainty to near-term global economic prospects and caused disruptions to various businesses. The Company is taking precautionary measures to deal with the Covid-19 outbreak in accordance with guidelines provided by the authorities.

The Covid-19 outbreak is expected to have some impact on the Company's operations and trading results, the extent of which will depend on how long the outbreak lasts. Management is proactively managing the Company's businesses, maintaining vigilance and will take the necessary actions to ensure their long term sustainability.